

**MODISON
METALS LIMITED**

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



09.07.2021

Department of Corporate services
BSE Limited
Phiroze Jeejeebhoy Towers,
Dalal Street, Mumbai — 400001
Scrip Code: 506261

The Assistant Manager – Listing
National Stock Exchange of India Ltd.
Exchange Plaza, 5th floor
Plot No. C/1, G Block
Bandra – Kurla Complex
Bandra (East), Mumbai – 400 051
NSE SCRIP CODE: MODISNME

Sub: Submission of Annual Report for the financial year ended 31st March, 2021

With reference to the captioned subject and pursuant to Regulation 30 and 34 (1) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we hereby enclose herewith the Annual Report containing the Directors' Report and its annexures, Management Discussion and Analysis Report, Corporate Governance Report and Audited Financial Statements (Standalone & Consolidated) for the financial year ended 31st March, 2021 along with the Notice of the 38th Annual General Meeting of the Company for your reference and record. The aforesaid documents are also uploaded on the Company's website i.e. www.modison.com.

You are requested to take the same on record.

Thanking you,

Yours Faithfully,

For Modison Metals Limited

Manika Arora
Company Secretary

MODISON METALS LIMITED

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

Email Id: shareholder@modison.com.

Website: www.modison.com **Tel.:** +91-22-2202 6437 **Fax:** +91-22-2204 8009

CIN No: L51900MH1983PLC029783

NOTICE

NOTICE IS HEREBY GIVEN THAT THE THIRTY-EIGHT ANNUAL GENERAL MEETING OF MODISON METALS LIMITED will be held on Tuesday, August 3, 2021 at 11.30 A.M. through Video Conferencing (“VC”) / Other Audio Visual Means (“OAVM”), to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt:

- a. the Audited Standalone financial statements of the Company for the year ended March 31, 2021, the Director’s Report and Auditor’s Report.
 - b. the Audited Consolidated Financial Statements of the Company for the financial year ended March 31, 2021, together with the Report of the Auditors thereon.
2. To confirm the Interim Dividend of Rs.1.50 per equity share, already paid during the financial year ended March 31, 2021.
3. To appoint a Director in place of Mr. Rajkumar Modi (DIN: 00027449), who retires by rotation and being eligible, offers himself for re-appointment.

SPECIAL BUSINESS:

- 4. Ratification of the remuneration payable to M/s N. Ritesh & Associates, Cost Accountant ((N. Ritesh, Proprietor) (Certificate of Practice No. R100675) for the financial year ending March 31, 2022**

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

“RESOLVED THAT in accordance with the provisions of Section 148 and other applicable provisions of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), and based on the recommendation of the Audit Committee and the approval of the Board of Directors of the Company, the remuneration payable to M/s. N. Ritesh & Associates, Cost Accountant (N. Ritesh, Proprietor) (Certificate of Practice No.R100675), appointed by the Board of Directors as Cost Auditors to conduct the audit of the cost accounting records of the Company for the financial year ending 31st March, 2022, amounting to Rs. 60,000 (Rupees Sixty Thousand Only) plus applicable taxes, in connection with the said audit, be and is hereby ratified and confirmed;

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

5. **To approve the request received from Mr. Suresh Chandra P Mody for reclassification from Promoter Group Category to Public Category and in this regard to consider and if thought fit, to pass the following resolution as an Ordinary resolution:**

“RESOLVED THAT pursuant to the provisions of Regulation 31A of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 the applicable provisions, if any, of the Companies Act, 2013 (including any statutory modifications or any amendment or any substitution or re-enactment thereof, for the time being in force) and subject to the approval of National Stock Exchange of India Limited, BSE Limited and/or such other approval, if any, as may be required, the consent of the Members of the Company be and is hereby accorded to reclassify Mr. Suresh Chandra P Mody holding 212240 equity shares of the Company from the existing ‘Promoter Category’ to ‘Public Shareholder Category’.

RESOLVED FURTHER THAT the Promoter seeking reclassification from the existing ‘Promoter Category’ to ‘Public Shareholder Category’, shall continue to comply with the conditions as specified under Regulation 31A of the Listing Regulations for a period of not less than three years from the date of such re-classification.

RESOLVED FURTHER THAT the Directors, Chief Financial Officer and Company Secretary of the Company be and are hereby severally authorized to do all such acts, deeds, matters and things as may be considered necessary, desirable or expedient to give effect to this resolution.”

6. **Re-Appointment of Mr. G.L. Modi, Managing Director and in this regard to consider and if thought fit , to pass with or without modification(s), the following resolution as a Special Resolution:**

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

“RESOLVED THAT pursuant to the provisions of section 196, 197, 203 and any other applicable provisions, if any, of the Companies Act, 2013 (the Act) and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification (s) or re-enactment thereof for the time being in force) read with schedule V of the Act and Articles of Association of the Company and pursuant to the resolution passed by the Nomination and Remuneration Committee and subject to all other sanctions, approvals and permissions as may be required and subject to all other sanctions, approvals and permissions, the consent of the Members of the Company be and is hereby accorded to re-appoint Mr. G.L. Modi as the Managing Director of the Company who has attained the age of 70 + years for the period of three years w.e.f. 9th July, 2021, upon the terms and conditions including remuneration, as set out in the agreement entered by the Company with Mr. G. L. Modi, approved by the Remuneration Committee/ Board at its meeting held on 31st May, 2021 as set out in the explanatory statement annexed hereto.

RESOLVED FURTHER THAT the Board of Directors of the Company (“the Board”, which term shall be deemed to include the Nomination and Remuneration Committee) be and is hereby authorised to revise, amend, alter and/or vary the terms and conditions in relation to the above remuneration in such a manner as may be permitted in accordance with the provisions of the Act and any amendment thereto or re-enactment thereof;

RESOLVED FURTHER THAT in case the Company, during the tenure of Mr. G.L. Modi as referred above has no profit or its profits are inadequate, Mr. G.L. Modi be paid remuneration as “Minimum Remuneration” in the respective financial year(s) as set out in the Agreement, notwithstanding limits specified under Schedule V to the Companies Act, 2013.

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board be and is hereby authorised to do all such acts, deeds, matters and things as it may, in its absolute discretion deemed necessary, proper or desirable and to settle any questions, difficulties and / or doubts that may arise in this regard in order to implement and give effect the foregoing resolution.”

7. Payment of Performance linked Incentive and revision in the overall remuneration payable to Mr. Manish Kumar Srivastava, Joint Managing Director (DIN 08796273)

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

“**RESOLVED THAT** in addition to the resolution passed by the Shareholders of the Company on 8th September 2020 and pursuant to the provisions of the sections 196, 197, 198 and other applicable provisions, if any, of the Companies Act, 2013 and Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including rules, notifications, statutory modification, amendment or re-enactment there of for the time being in force and as may be enacted from time to time) read with schedule V of the said the Companies Act, 2013 and Articles of Association of the Company and pursuant to the recommendation of Nomination and Remuneration Committee, consent of the shareholders of the Company be and is hereby accorded for payment of performance linked incentive to Mr. Manish Kumar Srivastava, Joint Managing Director of the Company as stated in the Explanatory Statement annexed to the Notice and details thereof contained in the Supplemental Agreement executed between the Company and Mr. Manish Kumar Srivastava, approved by the Remuneration Committee/ Board at its meeting held on 31st May, 2021.

RESOLVED FURTHER THAT the overall managerial remuneration payable to Mr. Manish Kumar Srivastava shall be increased from Rs. 120 lacs per annum to Rs. 150 lacs per annum and shall be such as may be fixed by the Board from time to time based on the recommendation of the Nomination and Remuneration Committee and that the terms and conditions be varied/altered/revised within the overall limits of the managerial remuneration as prescribed under the Companies Act, 2013 read with Schedule V thereto, and/or any guidelines prescribed by the Government from time to time.

RESOLVED FURTHER THAT in the event of absence or inadequacy of profits in any financial year during the tenure of Mr. Manish Kumar Srivastava as Joint Managing Director, the Company shall pay to Mr. Manish Kumar Srivastava, the above said performance based incentives in addition to his remuneration as minimum remuneration notwithstanding the limits specified under Schedule V to the Companies Act, 2013.

RESOLVED FURTHER THAT except for the payment of performance based incentives and revision in the overall remuneration limit, all other terms and conditions of appointment including remuneration, as approved earlier by the Shareholders of the Company at their Annual General Meeting held on 8th September 2020, and which are not dealt with in this resolution, shall remain unaltered.

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board be and is hereby authorized to do all such acts, deeds, matters and things as may be deemed necessary and settle any/or all questions/ matters arising with respect to the above matter, and to execute all such deeds, documents, agreements and writings as may be necessary for the purpose of giving effect to this

resolution, take such further steps in this regard, as may be considered desirable or expedient by the Board in the best interest of the Company.”

8. Enhancement of borrowing limit of the Company up to Rs. 200 Crore (Rupees Two Hundred Crore only).

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

“RESOLVED THAT in supersession of the earlier resolution passed at the Annual General Meeting held on September 9, 2014 and pursuant to the provisions of Section 180(1)(c) of the Companies Act, 2013 (“Act”) read with rules made thereunder and pursuant to all other applicable provisions of the Act, applicable rule(s), regulation(s), guideline(s), circular(s) etc. issued by any other appropriate authority, if any, (including any statutory modification or re-enactment thereof, for the time being in force), consent of Members of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as the “Board”, which term shall include any duly constituted Committee(s) thereof or such other person(s) authorised by the Board) for borrowing, from time to time, any sum or sums of money, at its discretion, from any one or more Banks, Financial Institutions and other Persons, Firms, Bodies Corporate by way of loans, issue of debentures /notes /bonds /other instruments whether partly/ fully convertible or non-convertible, in rupees or any foreign currency, notwithstanding that the monies to be borrowed together with the monies already borrowed by the Company (apart from temporary loans obtained from the Company’s bankers in the ordinary course of business) may, at any time, exceed the aggregate of the paid-up share capital, securities premium account and free reserves (i.e. reserves not set apart for any specific purpose) of the Company at such time, subject to such aggregate borrowings not exceeding the amount which is Rs. 200 Crore (Two Hundred Crore only) over and above the aggregate of the paid-up share capital, securities premium account and free reserves (i.e. reserves not set apart for any specific purpose) of the Company at any time.”

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution the Board be and is hereby authorized to do all such acts, deeds, matters and things as it may in its absolute discretion consider necessary, proper or desirable and to settle any question, difficulty or doubt that may arise in this regard”

9. Creation of charge on movable and immovable properties of the Company up to Rs. 200 Crore (Rupees Two Hundred Crore Only)

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

“RESOLVED THAT in supersession of the earlier resolution passed at the Annual General Meeting held on September 8, 2014 and pursuant to Section 180(1)(a) of the Companies Act, 2013 (“Act”) and other applicable provisions, if any, of the Act, consent of the shareholders be and is hereby accorded to create such mortgage, charge, hypothecation, transfer, sell and/ or otherwise dispose of all or any part of the immoveable and moveable properties of the Company, present and future, and in such manner as the Board may deem fit, together with the power to take over the substantial assets of the Company in certain events in favour of banks/financial institutions, other investing agencies and trustees for the holders of debentures/bonds/other instruments to secure rupee/foreign currency loans and/ or the issue of debentures/bonds whether partly/fully convertible or non-convertible (herein collectively referred to as “Loans”) provided that the total amount of loans together with the interest thereon, additional interest, compound interest, liquidated damages, commitment charges, premium on pre-payment or redemption, costs, charges, expenses and all other monies payable by the Company in respect of the said Loans, shall not at any time exceed the limits approved under Section 180(1)(c) of the Act.

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution the Board be and is hereby authorized to do all such acts, deeds, matters and things as it may in its absolute discretion consider necessary, proper or desirable and to settle any question, difficulty or doubt that may arise in this regard”

MUMBAI, 31st May, 2021

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

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

Manika Arora
Company Secretary

NOTES:

1. In view of the continuing COVID-19 pandemic, the Ministry of Corporate Affairs (“MCA”) has vide its circular nos. 14/2020 and 17/2020 dated April 8, 2020 and April 13, 2020 respectively, in relation to “Clarification on passing of ordinary and special resolutions by companies under the Companies Act, 2013 and the rules made thereunder on account of the threat posed by Covid-19”, circular no. 20/2020 dated May 5, 2020 in relation to “Clarification on holding of annual general meeting (AGM) through video conferencing (VC) or other audio visual means (OAVM)” and Circular no. 02/2021 dated January 13, 2021 in relation to “Clarification on holding of annual general meeting (AGM) through video conferencing (VC) or other audio visual means (OAVM)” (collectively referred to as “MCA Circulars”) and Securities and Exchange Board of India (“SEBI”) vide its circular no. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated May 12, 2020 in relation to “Additional relaxation in relation to compliance with certain provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 – Covid-19 pandemic” and circular no. SEBI/HO/CFD/CMD2/CIR/P/2021/11 dated January 15, 2021 in relation to “Relaxation from compliance with certain provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 due to the CoVID -19 pandemic” (collectively referred to as “SEBI Circulars”) permitted the holding of the Annual General Meeting (“AGM”) through VC / OAVM, without the physical presence of the Members at a common venue. In compliance with the MCA Circulars and SEBI Circulars, the AGM of the members of the Company is being held through VC / OAVM. The registered office of the Company shall be deemed to be the venue for the AGM.
2. The Explanatory Statement pursuant to the provisions of Section 102 of the Companies Act, 2013 (the Act), in respect of the Special Business to be transacted at the Meeting is annexed hereto and forms part of this Notice. The relevant details of Directors seeking appointment/reappointment pursuant to the Regulation 26(4) and 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the Listing Regulations) and the Secretarial Standards on General Meetings issued by the Institute of Company Secretaries of India (‘ICSI’).is given in Annexure to this Notice.
3. Since this AGM is being held through VC/OAVM, physical attendance of Members has been dispensed with in line with the MCA Circulars and the SEBI Circulars. Accordingly, the facility for appointment of proxies by the Members will not be available for the AGM and hence the Proxy Form and Attendance Slip are not annexed to this Notice.

4. Institutional/ Corporate shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to attend the AGM through VC / OAVM on its behalf and to vote through remote e-voting. The said resolution shall be send to the Scrutinizer by e-mail at mail@csraginichokshi.com with a copy marked to evoting@nsdl.co.in.
5. Members are requested to note that the company's shares are under compulsory demat trading for all the investors. Members are, therefore, requested to dematerialise their shareholding to avoid inconvenience. As per Regulation 40 of SEBI Listing Regulations, as amended, securities of listed companies can be transferred only in dematerialized form with effect from, April 1, 2019, except in case of request received for transmission or transposition of securities. In view of this and to eliminate all risks associated with physical shares and for ease of portfolio management, members holding shares in physical form are requested to consider converting their holdings to dematerialized form.
6. Members are requested to send all communications relating to shares and unclaimed dividends, change of address, bank details, e-mail address etc. to the Share Transfer Agent (STA) at the following address:

FREEDOM REGISTRY LIMITED
Plot No. 101/102 MIDC, 19th Street,
Satpur,Nasik – 422 007
Tel: 95-253-2354032 Fax: 95-253-2351126
Email: support@freedomregistry.in

If the shares are held in electronic form, then change of address and change in the bank accounts etc. should be furnished to their respective DPs.

7. Members are requested to
 - i. Intimate to RTA, changes, if any, in their registered addresses, in case of shares held in physical form
 - ii. Intimate to the respective DPs, changes, if any, in their registered addresses, in case of shares held in demat form
 - iii. Quote their folio numbers/ Client ID/ DP ID in all correspondence.
 - iv. Consolidate their holdings into one folio in case they hold shares under multiple folios in the identical order of names
 - v. Register their PAN with their DPs, in case of shares held in demat form and Share Transfer Agent (STA) / Company, in case of shares held in physical form, as directed by SEBI

Members may please note that SEBI has made PAN as the sole identification number for all participants transacting in the securities market, irrespective of the amount of such transactions. Members may please note that SEBI has also made it mandatory for submission of PAN in the following cases:

- (i) Deletion of name of the deceased shareholder(s)
- (ii) Transmission of shares to the legal heir(s) and
- (iii) Transposition of shares

8. Book Closure:

The Register of Members and transfer books of the Company will be closed from 28th July 2021 to 3rd August 2021 (Both days inclusive).

9. Members are requested to submit their queries/requests for clarification, if any, on the Annual Report via email at shareholder@modison.com so as to reach the Company on or before 28th July 2021 which will enable the Company to furnish replies at the AGM.
10. Members holding shares under multiple folios are requested to submit their applications to registrar and transfer Agent for consolidation of folios into a single folio. In case of joint holders, the Member whose name appears as the first holder in the order of names as per the Register of Members of the Company will be entitled to vote at the AGM.
11. The Register of Directors and Key Managerial Personnel and their shareholding and the Register of Contracts or Arrangements in which the Directors are interested as maintained under Section 170 and Section 189 of the Act, respectively will be available for inspection by the Members at the AGM.
12. In compliance with the provisions of Section 129(3) of the Companies Act, 2013, (the Act), the Audited Financial Statements of the Company includes the Consolidated Financial Statements of the Company as defined in the Act for consideration and adoption by the Members of the Company.
13. In compliance with the aforesaid MCA Circulars and SEBI Circulars, the Notice of the AGM is being sent only through electronic mode to those Members whose e-mail addresses are registered with the Company/DPs. Members may note that the Notice of the AGM and the Annual Report for the Financial Year 2020-2021 will also be available on the Company's website at www.modison.com, websites of the Stock Exchanges, i.e. BSE Limited and National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com respectively and the AGM Notice is also available on the website of NSDL (agency for providing the e-voting facility) i.e. www.evoting.nsdl.com.
14. In compliance with the aforesaid MCA Circulars and SEBI Circulars, Notice of the AGM along with the Integrated Annual Report 2020-21 is being sent by electronic mode to those Members whose e-mail addresses are registered with the Registrar / STA Depositories.
15. To support the "Green Initiative", Members who have not registered their email addresses are requested to register the same with the Company's STA /their Depository Participants, in respect of shares held in physical/electronic mode respectively.
16. Corporate Members entitled to appoint their Authorized Representatives to participate at the AGM through VC/ OAVM and vote through e-voting on their behalf, pursuant to section 113 of the Companies Act, 2013.
17. The Members can join the AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available for 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.
18. The attendance of the Members attending the AGM through VC/ OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act, 2013. Further, since the AGM

will be held through VC / OAVM, the Route Map is not annexed in this Notice.

19. Unclaimed Dividends:

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

Members are hereby informed that the Company is required to transfer dividends which have remained unpaid/unclaimed for a period of seven years from the date on which dividend has become due for payment to the Investor Education and Protection Fund (IEPF) established by the Government. Accordingly, during the year, unclaimed dividends amounting Rs.44,134.00/- pertaining to the financial year 2012-2013 has been transferred to IEPF. Members are requested to note that no claim shall lie against the Company in respect of any amount of dividend remaining unclaimed/ unpaid for a period of seven years from the dates they became first due for payment. Any Member, who has not claimed the dividend in respect of the financial year ended 31 March, 2014 and onwards is requested to approach the Company/the Share Transfer Agent (STA) of the Company for claiming the same as early as possible but not later than 25.08.2021.

b) Details of Unclaimed Dividends on Website:

In order to help Members to ascertain the status of Unclaimed Dividends, the Company has uploaded the information in respect of Unclaimed Dividends for the financial year ended 31 March, 2014 and subsequent years on the website of Investor Education and Protection Fund, www.iepf.gov.in and under “Investor Relations” section on the website of the Company - www.modison.com.

c) Transfer of “Underlying Share” into IEPF:

In terms of Section 124(6) of the Act read with IEPF Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, the Company is required to transfer the shares in respect of which dividends have remained unclaimed for a period of seven consecutive years to the IEPF Suspense Account established by the Central Government. As required under the said Rules, the Company has published a Notice in the newspapers inviting the Members attention to the aforesaid Rules. The Company has also sent individual communication to the concerned Members whose shares are liable to be transferred to IEPF Suspense Account, pursuant to the said Rules.

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

Date of Declaration of Dividend	Dividend for the Year	Due date of transfer to the Government
09.09.2014	2013-2014	08.09.2021
11.08.2015	2014-2015	10.08.2022
09.03.2016 (Interim Dividend)	2015-2016	08.03.2023
17.02.2017(Interim Dividend)	2016-2017	16.02.2024
02.02.2018(Interim Dividend)	2017-2018	01.02.2025
07.08.2018 (Final Dividend)	2017-2018	06.08.2025
27.02.2019(Interim Dividend)	2018-2019	04.04.2026
06.08.2019 (Final Dividend)	2018-2019	11.09.2026
09.03.2020 (Interim Dividend)	2019-2020	14.04.2027

It may please be noted that once the unclaimed/ un-encashed dividend is transferred to “The Investor Education & Protection Fund”, as above, no claim lie in respect of such amount by the shareholder.

20. Nomination Facility:

As per the provisions of Section 72 of the Act, facility for making nomination is available for the Members in respect of the shares held by them. Members holding shares in single name and who have not yet registered their nomination are requested to register the same by submitting Form No. SH-13. If a Member desires to cancel the earlier nomination and record fresh nomination, he may submit the same in Form No. SH-14. The said form can be downloaded from the website of the company www.modison.com. Members holding shares in physical form are requested to submit the forms to the Company's STA. Members holding shares in electronic form may obtain Nomination forms from their respective Depository Participant.

21. The Company's Statutory Auditors, Kanu Doshi and Associates LLP (Firm Registration No.104746W/W100096), be and are hereby re-appointed for a period of two year at the AGM held on September 8, 2020 on the remuneration to be determined by the Board of Directors. Pursuant to the amendment made by the Companies (Amendment) Act, 2017, effective from May 7, 2018, it is no longer necessary to seek the ratification of the shareholders for continuance of the above appointment. Hence, the Company is not seeking the ratification of the shareholders for the appointment of the Statutory Auditors.

22. Voting through electronic means

- I. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), and the Circulars issued by the Ministry of Corporate Affairs dated April 08, 2020, April 13, 2020 and May 05, 2020 the Company is providing facility of remote e-Voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with National Securities Depository Limited (NSDL) for facilitating voting through electronic means, as the authorized agency. The facility of casting votes by a member using remote e-Voting system as well as venue voting on the date of the AGM will be provided by NSDL.
- II. The members who have cast their vote by remote e-voting prior to the AGM may also attend the AGM through VC/OAVM but shall not be entitled to cast their vote again.
- I The remote e-voting period commences on 30th July 2021 (9.00AM) to 2nd August 2021 (5.00PM). During this period members' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of 27th July 2021, may cast their vote by e-voting. The remote e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the member, the member shall not be allowed to change it subsequently. A member who has cast his/her vote by using remote e-voting shall be entitled to attend and participate in the AGM of the Company through VC/ OAVM, but shall not be allowed to vote on the resolutions at the AGM. A person who is not a Member as on the cut-off date should treat this Notice for information purposes only.
- II M/s. Ragini Chokshi & Co., a firm of Practising Company Secretary (Firm Registration No: BA92897) has been appointed as the Scrutinizer for providing facility to the members of the Company to scrutinize the voting and remote e-voting process in a fair and transparent manner.
- III The voting rights of members shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date.

- IV Any person holding shares in physical form and non-individual shareholders, who acquires shares of the Company and becomes a Member of the Company after sending of the Notice and holding shares as of the cut-off date, may obtain the login ID and password by sending a request at evoting@nsdl.co.in. However, if he / she is already registered with NSDL for remote e-Voting then he /she can use his / her existing User ID and password for casting the vote. In case of Individual Shareholders holding securities in demat mode and who acquires shares of the Company and becomes a Member of the Company after sending of the Notice and holding shares as of the cut-off date may follow steps mentioned below under “Login method for remote e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode.”
- V The details of the process and manner for remote e-Voting are explained herein below:
 Step 1: Access to NSDL e-Voting system
 Step 2: Cast your vote electronically and join virtual meeting on NSDL e-Voting system.

Details on Step 1 are mentioned below:

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

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

Details on Step 1 is mentioned below:

Login method for remote e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode.

In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

Login method for Individual shareholders holding securities in demat mode is given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with NSDL.	<p>A. NSDL IDeAS facility</p> <p>If you are already registered for NSDL IDeAS facility, follow the below step:</p> <ol style="list-style-type: none"> 1. Visit the e-Services website of NSDL. Open web browser by typing the following URL: https://eservices.nsdl.com/ either on a Personal Computer or on a mobile. 2. Once the home page of e-Services is launched, click on the “Beneficial Owner” icon under “Login” which is available under “IDeAS” section. 3. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. 4. Click on “Access to e-Voting” under e-Voting services and you will be able to see e-Voting page. Click on options available against

	<p>company name or e-Voting service provider - NSDL and you will be re-directed to NSDL e-Voting website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.</p> <p>If the user is not registered follow the below steps:</p> <ol style="list-style-type: none"> 1. Option to register is available at https://eservices.nsdl.com. 2. Select “Register Online for IDeAS” Portal or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp <p>B. e-Voting website of NSDL</p> <ol style="list-style-type: none"> 1. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile. 2. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholder/Member’ section. 3. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number held with NSDL), Password/OTP and a Verification Code as shown on the screen. 4. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on options available against company name or e-Voting service provider - NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.
Individual Shareholders holding securities in demat mode with CDSL	<ol style="list-style-type: none"> 1. Existing users who have opted for Easi / Easiest, they can login through their user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are https://web.cdslindia.com/myeasi/home/login or www.cdslindia.com and click on New System Myeasi. 2. After successful login of Easi/Easiest the user will be also able to see the E Voting Menu. The Menu will have links of e-Voting service provider i.e. NSDL. Click on NSDL to cast your vote. 3. If the user is not registered for Easi/Easiest, option to register is available at https://web.cdslindia.com/myeasi/Registration/EasiRegistration 4. Alternatively, the user can directly access e-Voting page by providing demat Account Number and PAN No. from a link in www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded

	in the demat Account. After successful authentication, user will be provided links for the respective ESP i.e. NSDL where the e-Voting is in progress.
Individual Shareholders (holding securities in demat mode) login through their depository participants	<ol style="list-style-type: none"> 1. You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. 2. Once login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. 3. Click on options available against company name or e-Voting service provider-NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

Important note: Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. NSDL and CDSL.

Login type	Helpdesk details
Securities held with NSDL	Please contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at toll free no.: 1800 1020 990 and 1800 22 44 30
Securities held with CDSL	Please contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at 022-23058738 or 022-23058542-43

B) Login Method for e-Voting and joining virtual meeting for shareholders other than Individual shareholders holding securities in demat mode and shareholders holding securities in physical mode.

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

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

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	Your User ID is:
a) For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID For example if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****.
b) For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID For example if your Beneficiary ID is 12***** then your user ID is 12*****.
c) For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the company For example if folio number is 001*** and EVEN is 116264 then user ID is 116264001***

6. Password details for shareholders other than Individual shareholders are given below:
 - a) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
 - b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the ‘initial password’ which was communicated to you. Once you retrieve your ‘initial password’, you need to enter the ‘initial password’ and the system will force you to change your password.
 - c) How to retrieve your ‘initial password’?
 - (i) If your email ID is registered in your demat account or with the company, your ‘initial password’ is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL

- account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.
- (ii) If your email ID is not registered, please follow steps mentioned below in **process for those shareholders whose email ids are not registered**
7. If you are unable to retrieve or have not received the “ Initial password” or have forgotten your password:
 - a) Click on “Forgot User Details/Password?”(If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsdl.com.
 - b) Physical User Reset Password?” (If you are holding shares in physical mode) option available on www.evoting.nsdl.com.
 - c) If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.co.in mentioning your demat account number/folio number, your PAN, your name and your registered address etc.
 - d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.
 8. After entering your password, tick on Agree to “Terms and Conditions” by selecting on the check box.
 9. Now, you will have to click on “Login” button.
 10. After you click on the “Login” button, Home page of e-Voting will open.

Step 2: Details on Step 2 are mentioned below:

How to cast your vote electronically and join General Meeting on NSDL e-Voting system?

1. After successful login at Step 1, you will be able to see all the companies “EVEN” in which you are holding shares and whose voting cycle and General Meeting is in active status.
2. Select “EVEN” of company for which you wish to cast your vote during the remote e-Voting period and casting your vote during the General Meeting. For joining virtual meeting, you need to click on “VC/OAVM” link placed under “Join General Meeting”.
3. Now you are ready for e-Voting as the Voting page opens.
4. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on “Submit” and also “Confirm” when prompted.
5. Upon confirmation, the message “Vote cast successfully” will be displayed.
6. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
7. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

General Guidelines for shareholders

1. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five

unsuccessful attempts to key in the correct password. In such an event, you will need to go through the “[Forgot User Details/Password?](#)” or “[Physical User Reset Password?](#)” option available on www.evoting.nsdl.com to reset the password.

2. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of www.evoting.nsdl.com or call on toll free no.: 1800-222-990 or send a request to Ms. Sarita Mote at evoting@nsdl.co.in

3. Members may send a request to evoting@nsdl.co.in for procuring user id and password for e-voting by providing demat account number / Folio number, client master or copy of Consolidated Account statement, PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card). If you are an Individual shareholders holding securities in demat mode, you are requested to refer to the login method explained above.

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

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

Alternatively shareholder/members may send a request to evoting@nsdl.co.in for procuring user id and password for e-voting by providing above mentioned documents.

In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are required to update their mobile number and email ID correctly in their demat account in order to access e-Voting facility.

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

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

4. The details of the person who may be contacted for any grievances connected with the facility for e-Voting on the day of the AGM shall be the same person mentioned for Remote e-voting.

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

1. Member will be provided with a facility to attend the AGM through VC/OAVM through the NSDL e-Voting system. Members may access by following the steps mentioned above for Access to NSDL e-Voting system. After successful login, you can see link of “VC/OAVM link” placed under “Join General meeting” menu against company name. You are requested to click on VC/OAVM link placed under Join General Meeting menu.

The link for VC/OAVM will be available in Shareholder/Member login where the EVEN of Company will be displayed. Please note that the members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the notice to avoid last minute rush.

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

Other Instructions

1. The Scrutinizer shall, immediately after the conclusion of voting at the AGM, first count the votes cast during the AGM, thereafter unblock the votes cast through remote e-voting and make, not later than 48 hours of conclusion of the AGM, a Scrutinizer’s Report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing, who shall countersign the same.
2. The result declared along with the Scrutinizer’s Report shall be placed on the Company’s website www.modison.com and on the website of NSDL <https://www.evoting.nsdl.com> immediately. The Company shall simultaneously forward the results to the stock exchanges, where the shares of the Company are listed.

MUMBAI, 31st May, 2021

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

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

Manika Arora
Company Secretary

**EXPLANATORY STATEMENT U/S 102(1) OF THE COMPANIES ACT, 2013 FORMING
PART OF THE NOTICE****Item No.4:****RATIFICATION OF THE REMUNERATION PAYABLE TO M/s N. RITESH & ASSOCIATES,
COST ACCOUNTANT FOR THE FINNACIAL YEAR ENDING MARCH 31, 2022**

The Board of Directors has, on the recommendation of the Audit Committee, approved the appointment and remuneration of the Cost Auditors to conduct the audit of the cost records of the Company across various segments, for the financial year ending March 31, 2022, as per the following details:

Name of the Cost Auditor	Cost Audit Fee
N. Ritesh & Associates	Rs. 60,000/-

In accordance with the provisions of Section 148 of the Companies Act, 2013 (“the Act”) read with the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditors as recommended by the Audit Committee and approved by the Board, has to be ratified by the members of the Company. Accordingly, ratification by the members is sought for the remuneration payable to the Cost Auditors for the financial year ending March 31, 2022 by passing an Ordinary Resolution as set out at Item No. 4 of the Notice.

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

The Board commends the Ordinary Resolution set out at Item No. 4 of the Notice for ratification by the members.

Item No. 5:**To approve the request received from Mr. Suresh Chandra P Mody for reclassification from Promoter Group Category to Public Category and in this regard to consider and if thought fit, to pass the following resolution as an Ordinary resolution**

Regulation 31 A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (‘Listing Regulations’) provides a mechanism regarding re-classification from “Promoter” category to “Public” Category. In terms of the said Regulation Mr. Suresh Chandra P Mody holding 212240 equity shares of the Company had vide letter dated 21.05.2021, requested the Company for re-classification for their shareholding from the existing Promoter category to Public Shareholder Category in the Shareholding Pattern of the Company and/or at such other places wherever his name appears.

In accordance with the provisions of Regulation 31 A (3)(b) of the Listing Regulations, Mr. Suresh Chandra P Mody has confirmed that;

He does not hold more than ten percent of the total voting rights in the Company;

He does not exercise control over the affairs of the Company whether directly or indirectly;

He does not have any special rights with respect to the Company through formal or informal arrangements including through any shareholder agreements;

He does not represent on the Board of Directors (including not having a nominee director) of the Company;

He is not acting as a Key Managerial Person in the Company;

He is not a 'willful defaulter' as per the Reserve Bank of India Guidelines;

He is not a fugitive economic offender.

Further, Mr. Suresh Chandra P Mody has also confirmed to abide by those conditions specified under Regulation 31 A (4) of the Listing Regulations post such removal of his name from Promoter Category.

The said request for reclassification of name of Mr. Suresh Chandra P Mody from Promoter category was considered and analysed by the Board of Directors at its meeting held on 31st May, 2021, which require approval of the Members of the Company by way of Ordinary Resolution, National Stock Exchange of India Limited, BSE Limited and/or such other approval, if any, may be required.

Consequent upon the receipt of necessary approvals and reclassification of name of Mr. Suresh Chandra P Mody from Promoter Category, the Promoter & Promoter Group shareholding in the Company would become 52.12% of the total equity paid up share of the Company.

The Board of Directors recommends the resolution as set out at Item No.5 of the Notice for the approval of the Members as an Ordinary Resolution.

None of the Directors, Key Managerial Personnel or their relatives are in any way concerned or interested (financially or otherwise) in the proposed resolution as set out at Item No. 5 of the Notice.

Item No. 6:

Re-Appointment of Mr. G.L. Modi, Managing Director and in this regard to consider and if thought fit, to pass with or without modification(s), the following resolution as a Special Resolution

Mr. G.L. Modi was appointed as the Managing Director of the Company for a period of three years with effect from 9th July, 2018. The term of his office expires on 8th July, 2021. The Board of Directors at its meeting held on 31.05.2021 on the recommendation of Nomination and Remuneration Committee approved the re-appointment of Mr. G.L. Modi as Managing Director of the Company for a further period of three years with effect from 9th July, 2021, upon the terms and conditions, including as to remuneration as set out in the Agreement, subject to the necessary approvals.

Mr. G.L. Modi, Managing Director is an Electrical Engineer (Diploma) and is having 56 years' experience in engineering industry. He is the core promoter of the Company and is associated with the Company since its inception.

Considering Mr. G.L. Modi's proven abilities and the improvement in the company's performance and financial results, the company has an imminent need to retain his talent for future growth even though he has attained the age of 70+ years.

The Agreement to be executed between the Company and Mr. G.L. Modi contains, inter-alia, the following terms and conditions:

Remuneration:

a. Basic Salary: Rs. 9,75,000/- per month

b. Perquisites and Allowance:

i. In addition to the salary payable, the Managing Director shall also be entitled to perquisites and allowances like accommodation (furnished or otherwise) or house rent allowance in lieu thereof, house maintenance allowance, cash allowances, allowances for utilities such as gas, electricity, water etc., medical reimbursement, club fees, leave travel concession for himself and his family, personal accident insurance and such other perquisites and allowances in accordance with the rules of the company or as may be agreed to by the Board of Directors and Mr. G. L. Modi; such perquisites and allowances will be subject to a maximum of 100% of annual salary.

ii) Company's contribution to Provident Fund to the extent to which it is not taxable under the Income Tax Act, Gratuity payable as per the Rules of the Company and encashment of leave at the end of the tenure shall not be included in the computation of limits for the salary or perquisites aforesaid.

Total Remuneration payable Rs. 3 Crore per annum.

II Minimum Remuneration:

Where in respect of any financial year, during the tenure of Mr. G.L. Modi, Managing Director of the Company, the Company has no profits or its profits are inadequate, Mr. G.L. Modi shall be paid the aforementioned remuneration as "Minimum Remuneration" in the respective financial year(s) as set out in the Agreement.

A scanned copy of the Agreement will be available for inspection without any fee by the Members by sending a request through e-mail at shareholder@modison.com during normal business hours on any working day up to and including the date of the AGM.

None of the Directors / Key Managerial Personnel of the Company / their relatives except Mr. G.L. Modi (father of Mr. Kumar Jay Modi) & Mr. Kumar Jay Modi (son of Mr. G.L. Modi) for whom the resolution relates, are concerned or interested in the resolution.

The Board recommends this Resolution for your approval.

Item No.7:

Payment of Performance linked Incentive and revision in the overall remuneration payable to Mr. Manish Kumar Srivastava, Joint Managing Director (DIN 08796273)
--

Mr. Manish Kumar Srivastava, was appointed as Joint Managing Director of the Company by the Board at its Meeting held on 20th July, 2020 for a period of three years .The same was subsequently approved by the members of the Company at its 37th AGM held on September 8, 2020.

Further considering the contribution of Mr. Manish Kumar Srivastava in the growth of the Company, the Board of Directors of the Company at their meeting held on 31st May, 2021, based on the recommendation of Nomination and Remuneration Committee have approved the payment of Performance Linked Incentives and revise the overall managerial remuneration payable to Mr. Manish Kumar Srivastava, Joint Managing Director of the Company from the period of his appointment, subject to the approval of the shareholders of the Company.

Further, the manner in which Performance based Incentive would be payable to Mr. Manish Kumar Srivastava is provided herein below:-

1. Incentives based on Profitability

A	1% of the Net Profit from operations beyond Rs. 15 Crore after taxation as Profit sharing.		
B	Achieving Top Line Incentive	Rs.250 Crore	Rs. 5 Lakh
		Rs.300 Crore	Rs.10 Lakh
		Rs.350 Crore	Rs.15 Lakh
		Rs.400 Crore	Rs.15 Lakh. Further, an additional amount of Rs.5 Lakh would be paid towards purchase / acquisition of equity shares of the Company
		Rs.450 Crore	Rs.15 Lakh Further, an additional amount of Rs.10 Lakh would be paid towards purchase / acquisition of equity shares of the Company
		Rs.500 Crore	Rs.15 Lakh Further, an additional amount of Rs.20 Lakhs would be paid towards purchase / acquisition of equity shares of the Company

The limit of overall managerial remuneration payable to Mr. Manish Kumar Srivastava, Joint Managing Director of the Company shall be increased from Rs. 120 lakhs per annum to Rs. 150 lakhs per annum, for the period of his term of appointment.

A scanned copy of the Agreement will be available for inspection without any fee by the Members by sending a request through e-mail at shareholder@modison.com during normal business hours on any working day up to and including the date of the AGM.

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

The Board recommends this Resolution for your approval.

ITEM NO. 8 & 9:

ENHANCEMENT OF BORROWING LIMIT AND CREATION OF CHARGE ON MOVABLE AND IMMOVABLE PROPERTIES OF THE COMPANY UP TO RS. 200 CRORE (RS. TWO HUNDRED CRORE ONLY)

Pursuant to the provisions of Section 180(1)(c) of the Companies Act, 2013, Members of the Company had, at the Thirty First Annual General Meeting of the Company held on September 9, 2014, authorized the Board of Directors of the Company to borrow from time to time, any sum(s) of monies, provided that the total outstanding amount so borrowed shall not at any time exceed the limit of Rs. 100 Crore (Rupees Hundred Crore only). Considering the adverse effect of COVID-19 pandemic on the business operations, cash flow and resultant slowdown of economic activities, the said fund requirement is crucial to strengthen your Company's existing business operations and growth plans. This is also required to ensure adequate liquidity in the uncertain times. Further, the Company is expediting its plan to expand its operations and scale up its capacity in future. Therefore, it is important for the Company to put in place appropriate and adequate financial arrangements in order to manage the emerging and future operating requirements. Keeping the same in view, it is proposed to increase the overall borrowing limits of the Company under the provisions of Section 180(1)(c) of shareholders of the Company at their Thirty Eight Annual General Meeting. Further, the borrowings by a Company, in general, are required to be secured

under Section 180(1)(a) of the Act, by way of mortgage or charge on all or any of the moveable or immovable properties of the Company in such form, manner and ranking as may be determined by the Board of Directors from time to time, in consultation with the lender(s). Accordingly, the Board of Directors of the Company proposes to seek approval of shareholders by way of special resolution to authorize the Board to enhance the borrowing limits of the Company in such form, manner and ranking as may be determined by the Board of Directors from time to time, in consultation with the lender(s).

None of the directors and/or key managerial personnel of the Company and/or their relatives, are in any way concerned or interested (financially or otherwise), in the proposed special resolution, except to the extent of their shareholding in the Company, if any.

The Board recommends the special resolution, as set out in item no. 8 and 9 of the notice, for approval of the shareholders.

MUMBAI, 31st May, 2021

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

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

Manika Arora
Company Secretary

STATEMENT GIVING INFORMATION TO SHAREHOLDERS AS REQUIRED BY SCHEDULE V OF THE COMPANIES ACT, 2013 IN TERMS OF ITEM NO.6 REGARDING APPOINTMENT OF MR.G.L. MODI AS MANAGING DIRECTOR.

I.	General Information																	
(1)	Nature of Industry:	Manufacturing (Electrical Contact Industry)																
(2)	Date or expected date of commencement of commercial production:	21st October, 1985																
(3)	In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus:	NA																
(4)	Financial performance based on given indicators:	<table><tr><td></td><td colspan="2">Rs. In Lakhs</td></tr><tr><td></td><td>FY 2020-21</td><td>FY 2019-20</td></tr><tr><td>Revenue & Other Income</td><td>29,363.76</td><td>22,217.38</td></tr><tr><td>Net Profit before tax</td><td>2,980.22</td><td>1,885.49</td></tr><tr><td>Export(FOB)</td><td>5,133.02</td><td>4,544.82</td></tr></table>			Rs. In Lakhs			FY 2020-21	FY 2019-20	Revenue & Other Income	29,363.76	22,217.38	Net Profit before tax	2,980.22	1,885.49	Export(FOB)	5,133.02	4,544.82
	Rs. In Lakhs																	
	FY 2020-21	FY 2019-20																
Revenue & Other Income	29,363.76	22,217.38																
Net Profit before tax	2,980.22	1,885.49																
Export(FOB)	5,133.02	4,544.82																
(5)	Foreign investments or collaborations, if any	No Foreign investments or collaborations. Not Applicable																
II	Information about the appointee:																	
	Background details	An Electrical Engineer by qualification Mr. G.L. Modi is the person who gave INDIA 99.99%																

		<p>purity good silver bar, approved by RBI. Till that time in India 98.6% was considered good silver bar. This unique feat paved the way for him to become the largest exporter of silver from India to Europe, Asia and North America.</p> <p>Post the very successful stint as exporter Mr. G.L. Modi decided to move up the value chain by setting up manufacturing facility for electrical contacts for Low voltage switchgear industry in 1975. He did it with technical collaboration with DODUCO, Germany which was the flag bearer of these products during those days. Post successful execution of LV electrical contacts he ventured into something which nobody has ever done that in India till date i.e. to produce state of art, highly technology oriented and precision engineered high voltage electrical contacts for switchgear with the help of technology partner DODUCO. This made Mr. G.L. Modi only person having been able to manufacture such products in India. The two FIRSTs “999 good silver bar” and High voltage electrical contacts manufacturing” makes Modison and Mr. G.L. Modi unique in its own way.</p> <p>He is avid philanthropist and serving the society at every level in the field of education, health care, water & sanitation etc. including animal & birds welfare.</p>
2)	Past remuneration:	<p>Salary of Rs.7,80,000/- per month. Perquisites & Allowance: -Rs. 7, 80,000/- per month. Other Benefits: As per rules of the Company The Salary & Perquisites may be increased from time to time as decided by the Board on the recommendation of Nomination & Remuneration but shall not exceed Rs 2.5 Crore.</p>
3)	Recognition or Awards:	<p>Modison Silver Bars are recognised as “ Good Delivery Bar” by the Reserve Bank of India and India Government Mint. Our contacts have been tested and successfully type approved by various agencies like:</p> <p>CESI-Italy, KEMA Laboratories -Holland and CPRI, Bangalore-India.</p> <p>Mr. G.L. Modi inspiring leadership has helped Modison to be selected as top three companies” Emerging India” award 2014 by CNBC TV 18 sponsored by ICICI Bank and powered by CRISIL. In addition to this highly award,</p>

		Modison won INC. 500 awards for testimony of his vision and inspiring leadership that acts a huge motivation for whole Modison Family.
4)	Job profile and his suitability:	The Managing Director shall exercise and perform such power and duties as the Board of Directors of the Company shall from time to time determine and subject to any directions and restrictions from time to time given and imposed by the Board, Managing Director shall have the general control, management and superintendence of the business of the Company in the ordinary course of the business and to do and perform all other acts and things which in the ordinary course of business he may consider necessary or proper or in the interest of the Company.
5)	Remuneration proposed:	Salary of Rs.9, 75,000/- per month. Perquisites & Allowance: -Rs. 9,75,000/- per month. Other Benefits: As per rules of the Company The Salary & Perquisites may be increased from time to time as decided by the Board on the recommendation of Nomination & Remuneration, but shall not exceed Rs 3 Crore.
6)	Comparative remuneration profile with respect to industry, size of the Company, profile of the position and person (in case of expatriates the relevant details would be w.r.t. the country of his origin)	It is difficult to get a person of his calibre particularly in Electrical / HVC -SF6 Contacts Industry. Person abroad of his experience would not get less than US \$ 6.35 Million p.a. In India, first of all, it is difficult to find his replacement- may be if we get somebody, remuneration not less than Rs. 400 Lakhs p.a.
7)	Pecuniary relationship directly or indirectly with the Company, or relationship with the managerial personnel, if any:	Mr. G.L. Modi is the father of Mr. Kumar Jay G. Modi, a whole-time Director of the Company.
III.	Other Information:	
1)	Reason of loss or inadequate profit: (I think it is not applicable)	The Company is a leading manufacturer of electrical contacts/hvc/ SF6 Contacts used in transmission, distribution and utilization of power. Since its business area predominantly relates to infrastructure facilities in the power and other industrial sector, the pace of progress in these sectors to a large extent affects the results of the Company. As there was no significant addition in real terms in power manufacturing capacity and addition in Transmission and Distribution facilities for power, it has an immediate negative effect on demand growth.
2)	Steps taken or proposed to be taken for improvement:	A focused restructuring program with thrust on improving efficiency of

		operations, cost control, restructuring of debt, aggressive Working Capital management and also a re-direction to the Company's marketing efforts.
3)	Expected increase in production and profits in measurable terms:	The Company hopes to achieve a Revenue(Sales) of 306 Crore and Net Profit before Tax of Rs 26 Crore/- in Financial Year 2021-22. The effect of expansion and restructuring will improve further the results of the Company in coming years
IV	Disclosure:	
	1. The shareholders of the Company shall be informed of the remuneration package of the managerial personnel.	
	2. The following disclosures shall be mentioned in the Board of Directors Report under the heading "Corporate Governance", if any, attached to the annual report:	
	i) All elements of remuneration package such as salary, benefits, bonuses, stock options, pension, etc., of all the directors;	
	ii) Details of fixed components and performance linked incentives along with the performance critics;	
	iii) Service contracts, notice period, severance fees;	
	iv) Stock Option details, if any, and whether the same has been issued at a discount as well as the period over which accrued and over which exercisable	

STATEMENT GIVING INFORMATION TO SHAREHOLDERS AS REQUIRED BY SCHEDULE V OF THE COMPANIES ACT, 2013 IN TERMS OF ITEM NO.7 REGARDING MR.MANISH KUMAR SRIVASTAVA AS JOINT MANAGING DIRECTOR.

Information Pursuant to clause (iv) of Section II schedule V of the Companies Act, 2013 the following statement is given:

I.	General Information			
(1)	Nature of Industry:	Manufacturing (Electrical Contact Industry)		
(2)	Date or expected date of commencement of commercial production:	21st October, 1985		
(3)	In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus:	NA		
(4)	Financial performance based on given indicators:	Rs. In Lakhs		
			FY 2020-21	FY 2019-20
		Revenue & Other Income	29,363.76	22,217.38
		Net Profit before tax	2,980.22	1,885.49
		Export(FOB)	5,133.02	4,544.82

(5)	Foreign investments or collaborations, if any	No Foreign investments or collaborations. Not Applicable
II	Information about the appointee:	
	Background details	<p>Mr. Manish Kumar Srivastava holds a B.Tech (Electricals) degree from IET (Lucknow University) and has undergone various management and leadership programs including in IIM Bangalore. He is a certified Black belt in Lean Six Sigma.</p> <p>He has vast experience of about 25 years and wholesome exposure on all aspects of business of the Company. He has deep exposure of working in ABB, CTR & CGL in India and Switzerland for working with local as well as global customers. Experience of handling entire value chain from Design to SCM to Operation to Sales & Marketing to Full P&L management of multiple SBUs. Has experience of Brown as well as Green field projects including responsibility of business sustainability & turn around.</p>
2)	Past remuneration:	<p>Salary & Allowance of Rs.7,78,700/- per month.</p> <p>Bonus/Ex-Gratia and Perquisites: -As per Rules of the Company.</p> <p>The Salary & Perquisites may be increased from time to time as decided by the Board on the recommendation of Nomination & Remuneration Committee, but shall not exceed Rs120 Lakh per annum.</p>
3)	Recognition or Awards:	<p>1. Country Gold award for safety.</p> <p>2. Best Business Performance awarded in ABB.</p> <p>3. He won Global awards for Gold and Bronze Medal for Operational improvements.</p> <p>4. Global Team award for Business Turn-around.</p> <p>5. He is also Member of Society of Power Engineers.</p> <p>6. Gold Medallist in B. Tech, IET, Lucknow (1996 Batch).</p>
4)	Job profile and his suitability:	He has been part of the group for last two years and have lead successful growth of the business.
5)	Remuneration proposed:	<p>Salary & Allowance will remain the same except for the payment of performance based incentives as mentioned in the explanatory statement stated above.</p> <p>The Salary & Perquisites may be increased from time to time as decided by the Board on the recommendation of Nomination & Remuneration Committee, but shall not exceed Rs150 Lakh per annum.</p>
6)	Comparative remuneration profile with respect to industry, size of the	Considering the responsibility shouldered by him of the enhance business activities of the

	Company, profile of the position and person (in case of expatriates the relevant details would be w.r.t. the country of his origin)	Company, proposed remuneration is commensurate with Industry Standards and Board level positions held in similar sized and similar positioned business.
7)	Pecuniary relationship directly or indirectly with the Company, or relationship with the managerial personnel, if any:	NA
III.	Other Information:	
1)	Reason of loss or inadequate profit: (I think it is not Applicable)	The Company is a leading manufacturer of electrical contacts/hvc/ SF6 Contacts used in transmission, distribution and utilization of power. Since its business area predominantly relates to infrastructure facilities in the power and other industrial sector, the pace of progress in these sectors to a large extent affects the results of the Company. As there was no significant addition in real terms in power manufacturing capacity and addition in Transmission and Distribution facilities for power, it has an immediate negative effect on demand growth.
2)	Steps taken or proposed to be taken for improvement:	A focused restructuring program with thrust on improving efficiency of operations, cost control, restructuring of debt, aggressive Working Capital management and also a re-direction to the Company's marketing efforts.
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IV	Disclosure:	
1. The shareholders of the Company shall be informed of the remuneration package of the managerial personnel.		
2/. The following disclosures shall be mentioned in the Board of Directors Report under the heading "Corporate Governance", if any, attached to the annual report:		
i) All elements of remuneration package such as salary, benefits, bonuses, stock options, pension, etc., of all the directors;		
ii) Details of fixed components and performance linked incentives along with the performance critics;		
iii) Service contracts, notice period, severance fees;		
iv) Stock Option details, if any, and whether the same has been issued at a discount as well as the period over which accrued and over which exercisable		

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

As per the requirements of Corporate Governance for appointment of the Directors / re-appointment of the retiring Directors, a statement containing details of the concerned Directors is given below:

	Name of the Director	Mr. Rajkumar Modi	Mr. G.L. Modi
i)	Date of birth	08.03.1965	04.06.1941
ii)	Date of Appointment	09.06.1998	01.01.1997
iii)	Qualification	BCOM, MBA	Diploma in Electrical Engineering
iv)	Expertise in specific functional Area	He has sharp business acumen, stronghold in export market and excellent administrative skills.	56 years of experience in Engineering Industry.
v)	List of other public limited companies (in India) in which outside directorship held	NIL	Nil
vi)	Member of the committee/s of Board of Member of the committee/s of Board of Directors of other companies in which he is a Director	NIL	Nil
vii)	Relationship with other Director	None	Father of Mr. Kumar Jay Modi
viii)	Number of Shares held in the company	67,47,305	75,82,130 shares are held as beneficial owner on behalf of HUF

The Annual Report 2020-21 as circulated to the members of the Company is also available on the website of the Company www.modison.com

MUMBAI, 31st May, 2021

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

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

Manika Arora
Company Secretary



**ANNUAL REPORT
2020-2021**

Annual Report 2020-21

Board of Directors**Ashok Jatia**

Chairman

G.L. Modi

Managing Director

Rajkumar Modi

Jt. Managing Director

Manish Kumar SrivastavaJt. Managing Director- from 20th July 2020**Kumar Jay Modi**

Whole-time Director

Rakesh S Singh**Suresh Mody**- up to 9th September 2020**R.A. Goenka****Rita Bhatia****Manish Kumar Srivastava**Chief Executive Officer- up to 19th July 2020**Manika Arora**

Company Secretary

Auditors

Kanu Doshi Associates LLP

Chartered Accountants

203, The Summit, Level-2, Wing-F

Samarth Nagar, Hanuman Road

W.E. Highway, Vile Parle (E)

Mumbai - 400 057

Bankers

HDFC Bank Limited

Registered & Head Office

33 Nariman Bhavan

227 Nariman Point

Mumbai – 400021

Tel: 022 2202 6437

Email Id: shareholder@modison.comWeb: www.modison.com**Works Address**

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

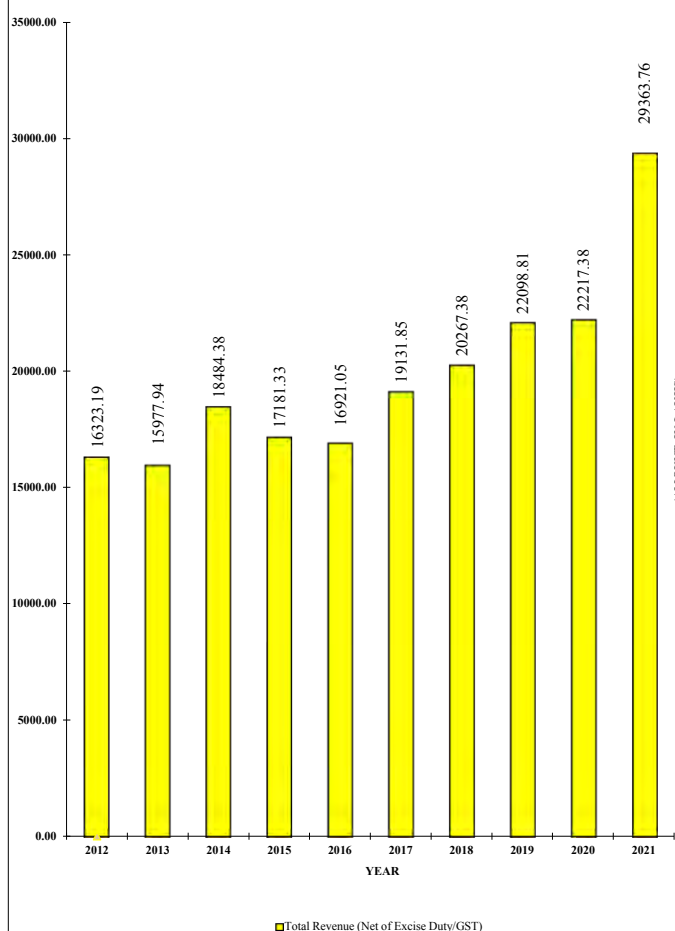
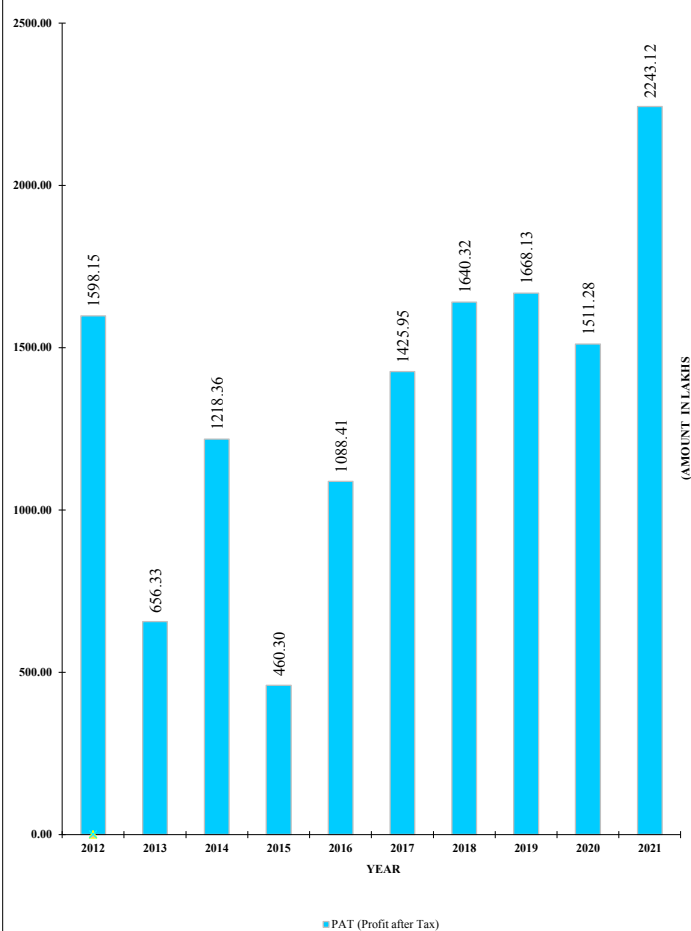
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Dist. Valsad, Gujarat

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Financial Highlights (Standalone)
(Rupees in Lakhs)

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Total Revenue (Net of Excise Duty/GST)	16323.19	15977.94	18484.38	17181.33	16921.05	19131.85	20267.38	22098.81	22217.38	29363.76
EBITDA	3162.47	1948.43	2678.77	1674.63	2690.79	3117.08	3164.28	3302.25	2701.90	3792.93
Depreciation & Amortisation	526.31	604.58	622.38	662.70	637.36	639.76	628.16	636.47	617.94	607.84
EBIT	2636.16	1343.85	2056.39	1011.93	2053.43	2477.32	2536.12	2665.78	2083.96	3185.09
Taxation	768.66	371.82	627.59	204.24	630.26	781.98	710.34	777.26	374.21	737.10
PAT (Profit After Tax)	1598.15	656.33	1218.36	460.30	1088.41	1425.95	1640.32	1668.13	1511.28	2243.12
EBITDA To Total Revenue (%)	19.37	12.19	14.49	9.75	15.90	16.29	15.61	14.94	12.16	12.92
EBIT To Total Revenue (%)	16.15	8.41	11.13	5.89	12.14	12.95	12.51	12.06	9.38	10.85
PAT To Total Revenue (%)	9.79	4.11	6.59	2.68	6.43	7.45	8.09	7.55	6.80	7.64
Net Block (+ CWIP)	5473.56	6208.67	6064.59	5900.50	6197.60	5875.91	5838.51	5715.02	5876.01	6354.63
Paid Up Capital	324.50	324.50	324.50	324.50	324.50	324.50	324.50	324.50	324.50	324.50
Reserves And Surplus	8252.67	8522.31	9259.58	9411.13	10108.97	11122.18	12368.76	13437.30	14359.42	16131.77
Net Worth	8526.78	8803.88	9547.80	9699.35	10397.20	11410.44	12657.26	13725.93	14649.67	16422.02
Few Key Ratios										0.00
Earnings Per Share (Rs.)	4.93	2.02	3.75	1.42	3.35	4.39	5.05	5.14	4.66	6.91
Book Value (Rs.)	26.28	27.13	29.53	29.89	32.04	35.17	39.01	42.30	45.15	50.61
Dividend (%)	100.00	100.00	125.00	75.00	100.00	100.00	150.00	150.00	100.00	150.00

Total Revenue from 2012 to 2021

Profit after Tax from 2012 to 2021


DIRECTORS' REPORT

To
The Members of
Modison Metals Ltd

The Directors have pleasure in presenting the 38th Annual Report of the Company along with the Audited Financial Statements (both on standalone and consolidated basis) ("Financial Statements") of Modison Metals Limited for the financial year ended 31st March, 2021.

Financial Results

(Rs. in Lakhs)

	Consolidated		Standalone	
	2020-21	2019-20	2020-21	2019-20
Revenue from operation & other income	29,364.97	22,218.28	29,363.76	22,217.38
Gross Profit before Finance Cost, Depreciation/ Amortisation & Exceptional items	4,152.44	2,984.42	4,151.61	2,983.83
Less: Finance Cost	204.87	198.49	204.87	198.47
Less: Depreciation / Amortisation	607.84	617.94	607.84	617.94
Profit before Exceptional items	3,339.73	2,167.99	3,338.90	2,167.42
Exceptional items	(358.68)	(281.93)	(358.68)	(281.93)
Profit before taxation	2,981.05	1,886.06	2,980.22	1,885.49
Less: Provision for Taxation				
Current tax	840.13	525.08	840.00	525.00
Less: Taxation adjustment of previous year	(30.58)	(42.25)	(30.57)	(42.25)
Less: Deferred tax	(72.25)	(108.48)	(72.33)	(108.54)
Profit after taxation	2,243.75	1,511.71	2,243.12	1,511.28
Add: Balance brought forward from the previous year	13,063.34	12,136.80	13,062.90	12,136.80
Profit available for appropriation	15,307.09	13,648.52	15,306.02	13,648.08
Add: Transfer from Revaluation Reserve	-	1.62	-	1.62
Less: Interim Dividend/Final Dividend	(486.75)	(486.75)	(486.75)	(486.75)
Less: Corporate Dividend Tax on Interim Dividend/Final Dividend	-	(100.05)	-	(100.05)
Balance carried over to Balance Sheet	14,820.34	13,063.34	14,819.27	13,062.90

Operations

During the year under review on consolidated basis, the Company has achieved the turnover of **Rs.29,364.97 Lakhs** as compared to Rs.22,218.28 Lakhs during previous year. The turnover is increased by **32.17%** i.e. by **Rs.7,146.69 Lakhs**. The Profit before tax after exceptional income/expense increased by **58.06%** i.e. by **Rs.1,094.99 Lakhs** & Net Profit after tax increased by **48.42%** i.e. by **Rs.732.04 Lakhs**.

On an unconsolidated basis, the Company has achieved the turnover of **Rs.29,363.76 Lakhs** as compared to Rs.22,217.38 Lakhs during previous year. The turnover is increased by **32.17%** i.e. by **Rs.7,146.38 Lakhs**. The Profit before tax & after exceptional income/expense has also increased by **58.06%** i.e. by **Rs.1,094.73 Lakhs** & Net Profit after tax increased by **48.43%** i.e. by **Rs.731.84 Lakhs**.

Exports

The Exports (FOB) including export in INR during the year amounts to **Rs.5,133.02 Lakhs** as against Rs.4,544.82 Lakhs achieved in the previous year. The export is increased by **12.94%** i.e. by **Rs.588.20 Lakhs**.

Dividend

The Company has a robust track record of rewarding its shareholders with a generous dividend pay-out. In view of the Company's very encouraging performance and on account of healthy retained earnings and cash position, the Board declared & paid an interim dividend of **Rs.1.50 (150%)** per equity share during the financial year ended 31st March, 2021.

Transfer to Reserves

The Company has not transferred any amount to Reserves for the Financial Year ended 31st March 2021.

Share Capital

The paid up equity capital as on 31st March 2021 stood at **Rs.324.50 Lakhs**. During the year under review, the Company has not issued equity share with differential voting rights, sweat equity shares, employee's stock options & not made any provision for purchase of its own shares.

Stock Exchange

The Company's equity shares are listed at BSE Limited and further, the equity shares of the Company are listed and admitted to dealings on the National Stock Exchange w.e.f. May 03, 2021 under Scrip Code **MODISNME**.

Research and Development

A state-of-the-art recognized R & D Division set up by the Company in Financial Year 2002-2003 got renewed in May 2019 from Department of Science & Technology Industrial Research, New Delhi. The R & D Division is working for development of new product as well as improvement in existing products. The company continue to invest in R&D towards new product development and capability building.

Joint Venture

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

Public Deposits

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

Loans, Guarantees and Investments

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

Change in Nature of Business

There being no change in the nature of business of the Company during the year.

Management Discussion and Analysis Report

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

Particulars of Conservation of Energy & Technology Absorption, Foreign Exchange Earning and Outgo

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

Extract of Annual Return

As per the requirements of Section 92(3) of the Act and Rules framed thereunder, the extract of the Annual Return for FY 2020-21 is uploaded on the website of the Company and the same is available at <http://www.modison.com/annual-reports.html>.

Corporate Social Responsibility

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

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

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

The Annual Report on CSR activities as required under Section 134(3)(o) of the Act read with Rule 8 of the Companies (CSR Policy) Rules, 2014, forms part of this Report as **Annexure-II**.

Directors & Key Managerial Personnel

Mr. Rajkumar Modi, Director of the Company retire by rotation at the ensuing Annual General Meeting and being eligible offer himself for re- appointment.

The Board of Directors of the Company at its meeting held on **31st May 2021** on the recommendation of Nomination and Remuneration Committee has recommended, re-appointment of Mr. G.L. Modi, as Managing Director of the Company for the period of three years from 9th July, 2021 to 8th July, 2024.

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

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

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

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

Declaration from Independent Directors

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

The Board of Directors confirms that the Independent Directors also meet the criteria of expertise, experience, integrity and proficiency in terms of Rule 8 of the Companies (Accounts) Rules, 2014, as amended.

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

The Company has received Form DIR-8 from all Directors pursuant to Section 164(2) and rule 14(1) of Companies (Appointment and Qualification of Directors) Rules, 2014. The details of the Director being recommended for appointment / re-appointment have been given in the Explanatory Statement to the Notice of the forthcoming AGM.

Credit Rating

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

Sr. No.	Facilities	Rating	Remarks
1.	Long Term Bank Facilities	CARE A; Positive (Single A; Outlook : Positive)	Reaffirmed
2	Short Term Bank Facilities	CARE A1 (A One)	Reaffirmed

Performance Evaluation of the Board, its Committees and Directors

Pursuant to the provisions of the Act and Regulation 17(10) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board has carried out an annual performance evaluation of the performance of the Board, its Committees, Chairman and Individual Directors. The performance evaluation of the Independent Director was carried out by the entire Board except concerned Independent Directors. The Directors expressed their satisfaction with evaluation process.

Familiarization Program for Independent Directors

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

Board Meetings

The Board of Directors duly met 4 times during the financial year from 1st April, 2020 to 31st March, 2021. The dates on which the meetings were held are as follows:

- | | |
|-------------------------------------|--------------------------------------|
| (1) 20 th July, 2020 | (2) 14 th September, 2020 |
| (3) 10 th November, 2020 | (4) 3 rd February, 2021 |

A separate report on Corporate Governance includes the detailed particulars of Board & Committee Meetings is annexed and forms part of this Report of the Directors.

Independent Directors Meeting

The meeting of the Independent Directors in financial year 2020-21 was held on 3rd February, 2021.

Company Policy on Directors Appointment and Remuneration

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

Particulars of Employees

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

Auditors**i) Statutory Auditors**

M/s Kanu Doshi Associates LLP, Chartered Accountants having firm registration No. 104746W /W100096 have been appointed as statutory auditors of the Company for a period of two years at the Annual General Meeting held on 8th September, 2020 i.e. up to the conclusion of the Annual General Meeting to be held in the calendar year 2022. Auditors of the Company have submitted their Independent Auditors Report on the Financial Statements of the Company for the year ended 31 March 31, 2021 and they have given an unmodified opinion(s) report on Financial Statements for the year under review.

The Auditors have confirmed that they comply with all the requirements and criteria are otherwise qualified to continue to act as Auditors of the Company. No frauds have been reported by the Auditors under Section 143(12) of the Act.

ii) Cost Auditors

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

The Board of Directors, in pursuance of Section 148 of the Companies Act, 2013, have appointed M/s. N. Ritesh & Associates, Cost Accountants, Mumbai, for conducting the audit of the cost accounting records maintained by the Company for the financial year 2021-2022. They have confirmed that their appointment is within the limits of Section 141(3)(g) of the Companies Act, 2013 and that they are not disqualified from acting as Cost Auditors.

iii) Secretarial Auditor

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 had appointed M/s. Ragini Chokshi & Co., Practicing Company Secretaries, Mumbai (C.P. 1436), to conduct the Secretarial Audit of the Company for the financial year 2020- 2021 and to furnish the report to the Board. The Secretarial Audit Report dated 31st May 2021 forms part of this Report.

Composition of the Audit Committee

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

Material Changes & Commitments

There have been no material changes and commitments affecting the financial position of the Company which have occurred between the end of the financial year to which the Financial Statements relate and the date of this Report.

Covid-19 Impact

The outbreak of the deadly COVID-19 virus and the ensuing lockdown imposed across the country affected business operations. COVID-19 is an unprecedented challenge. The lockdown gave India time to make a concerted effort to flatten the outbreak curve. However, towards later part of the year consequent to significant opening of the economic activity across the nation the demand picked up compared to that during the initial period of Covid-19.

India is currently experiencing a massive second wave of Covid-19 infections. However, we expect no major changes in the economic activity as the nation is preparing to face the Pandemic with vaccines and preparedness.

Transfer of Equity Shares, Unpaid/Unclaimed Dividend to the IEPF

In line with the statutory requirements, the Company has transferred to the credit of IEPF set up by the Government of India, equity shares in respect of which dividend had remained unpaid/unclaimed for a period of seven (7) consecutive years within the timelines laid down by the Ministry of Corporate Affairs. Unpaid/unclaimed dividend for seven (7) years or more has also been transferred to the IEPF pursuant to the requirements under the Act.

Subsidiary

Modison Contacts Private Limited is the wholly owned subsidiary Company of your Company. The revenue from operations during the financial year 2020-21 stood at **Rs.1.21 lakhs** as compared to Rs.0.82 lakhs in the previous year. It has incurred total comprehensive income/loss of **Rs.0.63 lakhs** during the year as compared to Rs.0.32 lakhs in the previous year.

During the year, Board of Directors reviewed the affairs of the subsidiaries. In accordance with section 129(3) of the Companies Act, 2013, we have prepared consolidated financial statements of the company, which form part of the Annual Report. Further, a statement containing the salient features of the financial statement of our subsidiary in the prescribed format of AOC-1 appended as **Annexure- V** in Board Report.

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

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

Corporate Governance

Your Company has taken adequate steps to adhere to all the stipulations laid down in Regulation 34 (3) read with Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. A report on Corporate Governance is included as a part of this Annual Report. The Auditor's Certificate on its compliance form part of this Report and is annexed hereto.

Compliance with Secretarial Standards on Board and Annual General Meetings

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

Director's Responsibility Statement

Pursuant to Section 134 (3) (c) read with Section 134 (5) of the Act, on the basis of information placed before them, the Directors state that:

- i) in the preparation of the annual accounts, the applicable IndAs accounting standards has been followed along with proper explanation relating to material departures, if any;
- ii) appropriate accounting policies have been selected and applied them consistently, and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31st March, 2021 and of the profit and loss of the Company for the said period;
- iii) proper and sufficient care has been taken for the maintenance of adequate accounting records in

accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities

- iv) the annual accounts have been prepared on a going concern basis;
- v) the internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively; and
- vi) there is a proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

Related Party Transactions

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

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

Risk Management

The Company is exposed to the risk of price fluctuation of silver (raw material). The Company proactively manages this risk through hedging, inventory management. The Company's reputation for quality with robust marketing existence mitigates the impact of price risk on finished goods.

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

The Company has a robust Risk Management framework to identify, evaluate business risks and opportunities. This framework seeks to create transparency, minimize adverse impact on the business objectives and enhance the Company's competitive advantage. The business risk framework defines the risk management approach across the enterprise at various levels including documentation and reporting. The Company's approach to addressing business risks is comprehensive and includes periodic review of such risks and a framework for mitigating controls and reporting mechanism of such risks.

Adequacy of Internal Financial Control

The Company's internal audit system has been continuously monitored and updated to ensure that assets are safeguarded, established regulations are complied with and pending issues are addressed promptly. The audit committee reviews reports presented by the internal auditor. The committee makes note of the audit observations and takes corrective actions wherever necessary. It maintains constant dialogue with statutory and internal auditors to ensure that internal control systems are operating effectively.

All the transactions are properly authorized, recorded and reported to the Management. The Company is following all the applicable Accounting Standards for properly maintaining the books of accounts and reporting financial statements. Additional details on Internal Financial Controls and their adequacy are provided in the Management Discussion and Analysis Report, forming part of this Annual Report.

Vigil Mechanism / Whistle Blower Policy

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

Prevention of Sexual Harassment at Work Place

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

There was no complaint of sexual harassment received during the financial year 2020-2021.

The Details of Application made or any Proceeding Pending under the Insolvency and Bankruptcy Code, 2016 During the year along with their status as at the end of the Financial Year

Not applicable as the Company has not made or received any application under the IBC during the financial year.

The Details of Difference between Amount of the Valuation done at the time of one Time Settlement and the Valuation Done while taking Loan from the Banks or Financial Institutions along with the Reasons thereof

The Company has not entered into any onetime settlement and thus, this clause is not applicable.

Significant and Material Orders Passed by the Regulators or Courts

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

Acknowledgement

The Directors wish to acknowledge and place on record their sincere appreciation for the assistance and cooperation received from all the members, regulatory authorities, customers, financial institutions, bankers, lenders, vendors and other business associates.

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

The Directors express their appreciation for the dedicated and sincere services rendered by the employees of the Company at all levels.

For and on behalf of the Board of Directors

Place: Mumbai
Date: 31st May 2021

G.L. Modi
Managing Director

Manish Kumar Srivastava
Jt. Managing Director

ANNEXURE I TO DIRECTORS' REPORT

Particulars Required Under Section 134 of the Companies Act, 2013 Read with Rule 8 of Companies (Accounts) Rules, 2014

A. Conservation of Energy

a) Steps taken or impact on conservation of energy:

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

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

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

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

c) Capital investment on energy conservation Equipment's: **Rs.1.15 Lakhs**

B. Technology Absorption

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

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

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

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

d) Research & Development:

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

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

Benefits derived as a result of above R & D:

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

e) Expenditure in R&D	<u>Rs. in Lakhs</u>
• Capital	11.59
• Recurring	<u>38.76</u>
• Total	<u>50.35</u>
• Total R&D Expenses as a percentage of total Turnover	0.17%

C. Foreign Exchange Earnings and Outgo

a) Activities Relating To Exports:

- The Company is contributing towards imports substitution in Electrical & Switchgear Industries and making the country self-reliant in this regard.

b) Total Foreign Exchange Used and Earned during the financial year 2020-2021

	<u>Rs. in Lakhs</u>
i) CIF Value of Imports:	1,677.75
ii) Expenditure in Foreign Currency :	41.24
iii) Foreign Exchange earned (FOB):	5,133.02

ANNEXURE-II

Format for the Annual Report on CSR Activities to be Included in the Board's Report For Financial Year Commencing on or After 1st Day of April, 2020

1. Brief outline on CSR Policy of the Company

Modison strongly believes in giving back to the society and do its part in making a small change for the better. For several years, Modison has supported various social causes, extended medical aid to the needy and even contributed significantly to the hospitals. Scholarships have been given out to deserving candidates to help them progress and to see them through initial limitations of progress. The group has also committed to fight TB by donating towards the treatment and beds of 5 under privileged people every year to Shree Kalyan Arogya Sadan Sikar, Rajasthan. Also, A Small Step is undertaken towards Honorable Prime Ministers 'Beti Bachao' Movement. The upcoming plans of the company are to get tie up with major medical institutes to formulate procedures to ease up the medical facilities and urgent medical treatment. The Company also help to run a maternity hospital and will also donate free beds for needy patients from time to time.

2. Composition of CSR Committee

Sl. No.	Name of Director	Designation / Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1.	Shri G L Modi	Chairman	1	1
2.	Shri R.A. Goenka	Member	1	1
3.	Mr. Rajkumar Modi	Member	1	1

Due to resignation of Mr. Suresh Mody board has inducted Mr. Rajkumar Modi as new member w.e.f. 10.11.2020.

3. Provide the web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company. : <http://www.modison.com/pdf/Modison-Metals-Ltd-CSR-Policy.pdf>

4. Provide the details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, if applicable (attach the report).: **Not Applicable**

5. Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any:

Sl. No.	Financial Year	Amount available for set-off from preceding financial years (in Rs)	Amount required to be set-off for the financial year, if any (in Rs)
1			
2		Not Applicable	
	Total		

6. Average net profit of the company as per section 135(5). **Rs.2,231.49 Lakhs**

7. (a) Two percent of average net profit of the company as per section 135(5) **Rs.44.63 Lakhs**

(b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years. **Nil**

(c) Amount required to be set off for the financial year, if any **Nil**

(d) Total CSR obligation for the financial year (7a+7b-7c). **Rs.44.63 Lakhs**

8. (a) CSR amount spent or unspent for the financial year:

Total Amount Spent for the Financial Year. (Rs. In Lakhs)	Amount Unspent				
	Total Amount transferred to Unspent CSR Account as per section 135(6).		Amount transferred to any fund specified under Schedule VII as per second provisoto section 135(5).		
	Amount	Date of Transfer	Name of the Fund	Amount	Date of Transfer
47.38	-	-	-	-	-

(b) Details of CSR amount spent against ongoing projects for the financial year:

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	(9)	(10)	(11)	
Sl. No.	Name of the Project.	Item from the list of activities in Schedule VII to the Act.	Local area (Yes/No).	Location of the project.		Project duration.	Amount allocated for the project	Amount spent in the current financial Year	Amount transferred to Unspent CSR Account for the project as per Section 135(6)	Mode of Implementation - Direct (Yes/No).	Mode of Implementation - Through Implementing Agency	
				State.	District.						Name	CSR Registration number.
1.												
	Total					Not Applicable						

(b) Details of CSR amount spent against **other than ongoing projects** for the financial year:

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	
Sl. No.	Name of the Project	Item from the list of activities in schedule VII to the Act.	Local area (Yes/No).	Location of the project.		Amount spent for the project (Rs. in Lakhs)	Mode of implementation - Direct (Yes/No).	Mode of implementation - Through implementing agency.	
				State.	District.			Name.	CSR registration number.
1.	Nevatiya School Project	II	No	Rajasthan	Sikar	37.50	No	Modison Charitable Trust	-
2.	Every Smile matters phase one	I	Yes	Maharashtra	Mumbai	8.22	No	The Rotary Foundation India	-
3.	Covid-19 Relief	I	Yes	Maharashtra/Gujarat	Mumbai/Vapi	1.24	Yes	Direct	-
4.	Others	I				0.42	Yes		-
						47.38			

(c) Amount spent in Administrative Overheads: **Nil**

(d) Amount spent on Impact Assessment, if applicable: **Not Applicable**

(e) Total amount spent for the Financial Year (8b+8c+8d+8e): **Rs.47.38 Lakhs**

(f) Excess amount for set off, if any:

Sl. No.	Particular	Rs. in Lakhs
(i)	Two percent of average net profit of the company as per section 135(5)	44.63
(ii)	Total amount spent for the Financial Year	47.38
(iii)	Excess amount spent for the financial year [(ii)-(i)]	(-2.75)
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	Nil
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	(-2.75)

9. (a) Details of Unspent CSR amount for the preceding three financial years:

Sl. No.	Preceding Financial Year.	Amount transferred to Unspent CSR Account under section 135 (6)	Amount spent in the reporting Financial Year	Amount transferred to any fund specified under Schedule VII as per section 135(6), if any.			Amount remaining to be spent in succeeding financial years.
				Name of the Fund	Amount	Date of transfer.	
.				Not Applicable			

(b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s):

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Sl. No.	Project ID.	Name of the Project.	Financial Year in which the project was commenced.	Project duration.	Total amount allocated for the project	Amount spent on the project in the reporting Financial Year	Cumulative amount spent at the end of reporting Financial Year.	Status of the project - Completed /Ongoing.
1								
2				Not Applicable				
	Total							

10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year.(asset-wise detail): **Not Applicable**

(a) Date of creation or acquisition of the capital asset(s).

(b) Amount of CSR spent for creation or acquisition of capital asset.

(c) Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc.

(d) Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset).

11. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5): **Not Applicable**

G. L. Modi
Managing Director &
Chairman of CSR Committee

Rajkumar Modi
Jt. Managing Director &
Member of CSR Committee

**Annexure III
FORM NO. AOC – 2**

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

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

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

There were no contracts or arrangements or transactions of the Company during the year ended 31st March, 2021, which were not at arm's length basis.

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

Name(s) of the related party & nature of relationship	Nature of contract arrangement/ Transaction	Duration of contract arrangement transaction	Salient terms of the contracts/ arrangements/ transactions
N.A. N			
	Not Applicable		

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

For and on behalf of the Board of Directors

Place: Mumbai
Date: 31st May 2021

G.L. Modi
Managing Director

Manish Kumar Srivastava
Jt. Managing Director

ANNEXURE IV

Remuneration Details Pursuant to Section 197(12) of the Companies Act, 2013 read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 as Amended.

1. The ratio of the remuneration (paid / payable) of each Director to the median remuneration of the employees of the Company for the financial year 2020-2021 and the percentage increase in remuneration of each Director, Managing Director, Chief Financial Officer and Company Secretary in the financial year:

Sr. No.	Name	Designation	Ratio to median remuneration	% Increase (Decrease) in Remuneration in Financial Year
1	Mr. Ashok Jatia	Non-Executive Independent Director	0.45	(-) 6.98
2	Mr. R.A. Goenka	Non-Executive Independent Director	0.45	-
3	Mrs. Rita Bhatia	Non-Executive Independent Director	0.45	29.03
4	Mr. G.L. Modi	Managing Director	41.39	(-)5.85
5	Mr. Rajkumar Modi	Joint Managing Director	26.63	(-)2.98
6	Mr. Kumar Jay Modi	Wholtime Director	24.64	(-)1.91
7.	Mr. Suresh Mody	Non-Executive upto 09.09.2020	N.A.	N.A.
7	Mr. Rakesh Singh	Non-Executive	0.18	(-)27.27
8	Mr. Manish Kumar Srivastava	CEO upto 19.07.2020	N.A.	N.A.
		CEO & Joint Managing Director (Appointed w.e.f. 20.07.2020)	N.A.	N.A.
9	Mr. Ramesh Mangilal Kothari	Chief Financial Officer	4.77	(-)12.26
10	Ms. Manika Arora	Company Secretary w.e.f. 16.12.2019	N.A.	N.A.

➤ No remuneration was paid to Non-Executive Directors except sitting fees and professional fees.

2. Percentage increase in the median remuneration of employees in the financial year 2020-2021 **0.75%**

3. The number of permanent employees on the rolls of the Company as on 31st March,2021 **258**

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

Particular	% change in Remuneration
Average increase in salary of employees (other than managerial personnel)	(-)4.55%
Average increase in remuneration of managerial personnel	(-)4.33%

6.Affirmation

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

Management Analysis & Discussion Report

Industry structure & Outlook:

The global economy started on a weak note due to slowing trade and then went into contraction mode in CY2020, recording a negative growth rate of 3.5%. In the event that no new virus strains appear, rising herd immunity and the start of vaccination programmes in CY2021 have led the International Monetary Fund (IMF) to estimate GDP growth of 6% in CY2021 and 4.4% in CY2022. Owing to the resurgence of virus cases in certain nations, lockdowns have been reinstated in those respective countries. Beneficial economic proposals launched by all major economies at the end of 2020 are projected to boost the global economy over the next two years.

The Indian economy recovered from its negative growth rate of April to September 2020 to record a marginal growth in October to December 2020, thus ending the CY 2020 at a negative growth of 8.0%&. For the FY 2021, India recorded a negative growth rate of 7.3%^ . IMF expects India to recover in CY2021 with a growth rate of 12.5%&.

&Source: International Monetary Fund (IMF)

^ Source: Central Statistics Office, Government of India

Global manufacturing:

Electric lighting devices, household appliances, power generation, transmission, and control, batteries, and wires and cables make up the electrical equipment industry.

At a compound annual growth rate (CAGR) of 7.7%, the global electrical equipment market is projected to rise from \$1179.97 billion in 2020 to \$1271.11 billion in 2021*. The increase is primarily due to organizations reconfiguring their operations and recovering from the effects of COVID-19, which had previously resulted in restrictive containment measures such as contact avoidance, teleworking, and the suspension of commercial activities, all of which created operational challenges. At a CAGR of 7%, the market is forecast to hit \$1661.61* billion in 2025.

* Source: www.globenewswire.com

The COVID-19 induced lockdown reverberated as a supply chain shock and trade restrictions globally. However, since the disruption was a 'black swan' phenomenon unrelated to ongoing or underlying vulnerabilities in the industry or the global economy, it is estimated that the electrical equipment manufacturing market will rebound over the forecast period of 2025.

Indian Power and T&D Industry:

Power transmission and distribution (T&D) equipment will be in increased demand as a result of market-oriented reforms like "Power for All" as well as plans to add 93 GW by 2022. Due to this, the Indian T&D equipment market is expected to grow to \$75 billion by 2022.*****

*****Site: investindia.gov.in

As per the Indian Electrical and Electronics Manufacturer Association (IEEMA), the electricity generation capacity is expected to increase from 200 GW in 2010 to over 800 GW by 2032 to fulfil the increasing demand of customers. The national electric grid in India has an installed capacity of **382.15 GW** as of 31 March 2021. Thus, there is a need for a huge investment of approximately USD 300 billion in the next 3–4 years.*****

*****Source: openpr.com , CEA

In FY 2021, the Central Government issued an order to enable imposition of restrictions on imports and bidding from neighbouring countries. This is expected to increase local manufacturing of power equipment and its parts.

The Indian power industry witnessed several consolidation moves in FY 2021. L&T completed the sale of its electrical and automation business to Schneider Electric, while Siemens completed the acquisition of C&S Electric's low voltage switchgear and busbar businesses.

Modison Metals, being a preferred supplier to all the above-mentioned companies, is expected to benefit from the said acquisitions, since the said manufacturers are expected to consolidate their supplier base.

Impact of COVID-19 – Power & HV/MV/LV industry :

The sudden lockdown resulted in a sudden lifestyle shift resulting in a drastic rise in residential electricity demand while business and industry demand decreased, affecting the national energy demand profile.

Reflecting this, the electricity sector within the India Index of Industrial Production (IIP) decreased by 2.4% for the 11 months ended February 2021. However, the same recorded a marginal growth of 0.1% for February 2021 on a monthly basis, indicating that demand was slowly coming back to normal. *****

The said impact was reflected in the switchgear market as well. The overall switchgear market demand decreased by 8.7%% for the eleven months ended February 2021. The LV switchgear market demand decreased by a lower 6.7% over the same period where HV market witnessed higher drop by a lower 20.5%.& However, the market stabilised in the last quarter of FY2021 due to the gradual reopening of the economy. The second wave of COVID-19 has again triggered a lockdown in several states, however, due to permissions granted for manufacturing and transportation, FY2022 is expected to be better than FY 2021.

***** Source: mospi.nic.in

& Source: IEEMA

Opportunities– Power and T&D:

Increasing electrification levels, as well as government initiatives such as UDAY (Ujwal DISCOM Assurance Yojana), IPDS (Integrated Power Development Scheme), DDUGJY (Deen Dayal Upadhyaya Gram Jyoti Yojana), and “Power for All,” will drive switchgear market growth in the near future.

In addition, initiatives like Make in India, Atalirbhar and the Smart Cities Mission would aid in the expansion of transmission and distribution networks, thereby boosting the switchgear market in India. Switchgear customer shifting footprint to India may be an opportunity for Indian manufacturers.

Switchgear market:

The switchgear market comprises of High Voltage (HV), Medium Voltage (MV) and Low Voltage (LV) segment.

High voltage switchgear is a power system that deals with voltages greater than 36 kV.[#] The major portion of HV switchgear market is dominated by AIS & Gas Insulated Switchgear (GIS) segment.

Medium voltage switchgear is a switchgear device that can handle voltages ranging from 3 to 36 kV. [#] Examples of applications include arc furnaces, medium-voltage electrical transmission lines, SF6 gas-insulated, air magnetic, gas-insulated, vacuum, and electrical power generating stations.

A power grid that operates at less than 1 kV is referred to as low voltage switchgear. [#] Switches, LV circuit breakers, HRC fuses, earth leakage (EL), disrupting circuit breakers, offloading electrical insulators, MCBs, and MCCBs are among the most popular pieces of equipment. Heavy industries, construction, mines and steel, petrochemical, pulp and paper, water, datacentres, and healthcare are the industries which typically use LV for electricity supply and process applications.

[#]Source: ijert.org

The Indian Government continued its investment push in FY 2021 on the switchgear segment in FY2021. It laid the foundation stone for 320 KV Pugalur (Tamil Nadu) - Thrissur (Kerala) High Voltage Direct Current (HVDC) power transmission project and has India's first HVDC link featuring state-of-the-art VSC technology. The Indian Government has committed to making more such projects to increase electrification across India. In FY2021, the Government announced enhanced target for the National Infrastructure Pipeline, with the goal of providing 24x7 power supply to all. This is expected to increase switchgear demand.

The Indian government aims to expand transmission lines from 4,14,858 circuit kms in 2020 to 4,78,132 circuit kms by 2022, resulting in greater switchgear use in the power utilities sector in the coming years.

Due to the rising commercial sector, increased urbanisation and the government's massive investment in electric utility infrastructure, all the three segments i.e. high, medium and low voltage switchgears are expected to post a combined growth of 6.7% 2020 to 2026.

~Source: cxotoday.com

Silver contact:

Silver contact finishes are the preferred items for both higher power transmission as well as lower current distinguishable power connector applications. Silver has a remarkable set of material characteristics, including the highest thermal and electrical conductivity of any metal and a low hardness. A relatively broad conducting area (less constriction) is formed by adhesively bonded metal-to-metal asperity junctions when current passes through a clean silver-to-silver contact interface. This one-of-a-kind combination of properties results in a low contact resistance, excellent thermal-rise efficiency, and high vibrational stability. These characteristics make silver highly suitable for use in power applications.

HV segment has higher use of materials which have mechanical strength and high temperature sustenance apart from electrical conductivity like CuW (Copper Tungsten material etc)

About Modison Metals Limited

Modison Metals Limited ("MML", or "Modison") manufactures electrical contacts for switchgear manufacturers in India and globally. Modison is amongst the handful of companies around the world that manufactures electrical contact materials and finished contacts for all the areas of the switchgear industry including Low, Medium, High and Extra High Voltage. It also produces goods for dominant sectors such as automotive, engineering, aerospace, marine, defense, and railways. The company is certified for ISO9001:2015, ISO14001:2015, and OHSAS18001:2007, and its lab is qualified by the National Accreditation Board for Laboratories (NABL) for chemical and mechanical research, demonstrating its standards of excellence.

Business Review :

Modison Metals Ltd witness very good growth in Volume & Revenue as well as bottom line. We achieved highest ever revenue and volume in the year 2020-21. During the year, we started to modernise infrastructure by expanding and renovating factories and offices. Our company structure was altered to make it more balanced, flat and streamlined. We launched "6C" initiative to manage disruption and ensure business continuity. This ensured growth during pandemic time. We continued our progress towards Lean Six Sigma and operating expenditure control, which encompassed a 360-degree perspective, including safety, quality, and productivity. Our focus on improving consumer relationships has resulted in a significant presence in a competitive market. Our export (FOB) business grew by 12.94% to Rs.5,133.02 Lakhs. People development and competency gap fulfilment was institutionalised.

High Voltage (HV), Medium Voltage (MV) and Low Voltage (LV) segment:

We saw volume & revenue growth in this area, which is our core business and major contributor. Further, our major customers preferred to consolidate their suppliers to avoid COVID-19 pandemic disruptions, which also

was a significant contributor to our growth. We expect the aforesaid growth driver to continue in the long term. Heartening to share our exceptional growth in Exports market by 12.94%.

Salt, bullion & other segments:

We produce high grade precious metal compounds including silver nitrate, silver sulphate and silver oxide which have multiple usages in various industries including silver plating, catalyst agents in pharmaceutical industry, mirror manufacturing, inedible inks, explosives, fine chemicals, performance chemicals and silver oxide batteries.

We further have a consumer segment of bullion wherein we manufacture and market silver bars and coins. These are marketed through a partnership with the Post Office and through leading online websites.

Our bullion and salt markets growth slowed in the current year due to adverse market condition and prohibitive price pressure; however, this has been over compensated by growth in the battery segment.

India is one of the leading consumers of silver bars and coins, with the 2019 intake at approximately 45 million ounces*. This has been briefly halted due to the 2020 lockdown; however, it is expected that demand will sharply recover in 2021.

*Source:silverinstitute.org

Our Strategy:

First & foremost is care of our employees and other stakeholders. Apart from regular CARAE, we launched a special “COVID-19 Employee Benefit Scheme” to take care of employees medical, mental and financial needs.

Our key approach in FY2022 will be to concentrate on Innovation (advancement of new products), Automation & Digitalisation and New markets development while controlling operating expenditure and concentrate on increasing profits. We will have enhanced focus on Lean Six Sigma. Safety, Integrity & Quality remain our zero-tolerance values.

Competency enhancement and People development remains our top focus. We have also started lateral introduction into strategic roles of Operations, Finance, HR, R&D and Projects for advancement of the company to the next level of growth. We have created new PMS, which will be implemented fully. New flat organisation will be operational which is expected to have faster and seamless decision making apart from reduction in transactional cost. We also introduced new Reward & Recognition scheme to create an environment of Performance Excellence, which is expected to bear fruits from 2021-22 onwards.

We will continue with the “6C” (Care, Cost, Customer, Cash, Competency & Capacity) initiative which we launched last year as it becomes our business fundamental. We will create more modern & advanced factories to meet dynamic market challenges.

Financial review (Standalone)

Rs. In lakhs

Particulars	FY21	FY20	Increase/ Decrease %
Total Income	29,363.76	22,217.38	(+)32.17%
EBITDA	3,792.93	2,701.90	(+)40.38%
PAT	2,243.12	1,511.28	(+)48.43%
EPS (Rs.)	6.91	4.66	(+)48.28%

Financial Ratios (Standalone)

Particulars	FY21	FY20	Remarks
EBITDA Margin %	12.92%	12.16%	
Net Profit Margin %	7.64%	6.80%	
Interest Coverage Ratio	15.55	10.50	
Debtors Turnover Ratio	4.90	4.94	
Current Ratio	4.00	3.11	
Debt to Equity Ratio	0.07	0.18	
Return on Net Worth %	13.66%	10.29%	

Threats, Risks and Concerns:
Commodity price risk

The Company is subject to the risk of price volatility in silver & copper, these are our main raw materials.

Measures undertaken

Hedging, inventory management and variable price contracts are used by the company to effectively address volatility risk.

Competitive threat

The Company's finished products may be subject to competition. Also, product substitution is a risk

Measures undertaken

Price risk on finished products is mitigated by the Company's brand image for excellence and its extensive marketing presence. Continuous cost efficiency, Opex saving shall remain in focus. We have created a separate unit to take care of new product development & innovation for faster response to any need and be ahead of the curve

Capital allocation risk

The Company's capital expenditure may be subject to time or cost overrun and may not yield the desired benefits.

Measures undertaken

The Company undertakes market feasibility study prior to expansion or new product launches and linked with market demand assessment.

Operational risk

The Company's operations may be subject to various interruptions including supply chain delays, accidents and natural disasters and pandemics.

Measures undertaken

The Company has alternative supply arrangements in place. It has disaster management systems in place and automated Early Warning Systems for monitoring any accidents. The Company has adequate insurance coverage for natural disasters. The Company has instituted a Business Continuity Plan in place for pandemics.

Human Resources

People success, according to Modison, is a powerful enabler of business development. As a result, the Company is dedicated to building an environment that promotes employee development while still achieving the organization's goals. The Company conducts various training programs to imbibe the necessary skills in its employees. A new PMS framework was implemented during the FY 2021 to improve rational performance measurement and management. Mapping of critical resource and lateral entry is being taken care.

Internal Control Systems and their adequacy

To mitigate the effect of various risks, the Company has implemented extensive internal controls for various operations. A well-defined internal auditing mechanism is also in place to independently assess and improve these internal controls. Both the internal control and internal audit process are entrusted with securing the Company's assets and ensuring the quality and reliability of accounting and other operating data. The Company's Audit Committee reviews the internal auditors' reports on a regular basis and makes recommendations for improving internal controls.

R&D

Both growth and diversification activities of the Company continue to be focused on Research & Design. The Company continues to invest in R&D in accordance with its requirements and industry standards. The main determinants in this sector are technological advancement in new product growth, import replacements and efficiency. We intend to continuously enhance and upgrade our R&D capabilities.

Corporate Social responsibility

The Company's ideology of giving back to society in a small way focuses on healthcare, education, and hygiene, as India requires to do a great deal of work in these areas for economic and social advancement.

The Company operates a charitable trust called Modison charitable trust, which operates a maternity hospital.

The Company has provided basic amenities in the local school by ensuring the essential necessities of providing classrooms and requisite furniture for the same, so that village students can have the essential amenities that will encourage better learning.

The company has made a major contribution to the care of cancer-stricken children at leading hospitals.

The Company has taken several steps to assist the poor and the general public in the Covid-19 pandemic and continues to play a pro-active role in the same.

Cautionary Statement

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

FORM NO MR-3**Secretarial Audit Report****For the period 1-04-2020 to 31-03-2021**

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

To,
The Members,
Modison Metals Limited
33 Nariman Bhavan,
227, Nariman Point
Mumbai – 400021, Maharashtra

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Modison Metals Limited** (CIN: L51900MH1983PLC029783) (hereinafter called “the Company”). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company’s books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the company has, during the audit period covering 1st April, 2020 to 31st March, 2021 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the audit period 1st April, 2020 to 31st March, 2021 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 (‘SCRA’) and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws Framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial borrowings;(to the extent applicable)
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 (‘SEBI Act’):-

- a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009; **(Not Applicable to the Company during the Audit Period)**
 - d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014; **(Not Applicable to the Company during the Audit Period)**
 - e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; **(Not applicable as the Company has not issued any debt securities during the period under review)**
 - f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client; **(Not applicable as the Company is not registered as Registrar to an Issue and Share Transfer Agent during the financial year under review)**
 - g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; **(Not applicable as the Company has not delisted its equity shares from any stock exchange during the period under review)**
 - h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; **(Not applicable as the Company has not bought back any of its securities during the period under review)**
 - i) Securities and Exchange Board of India (Depositories & Participants) Regulations, 2018; **(To the extent applicable)**
- (vi) We have relied on the representation made by the Company and its Officers for systems and mechanism formed by the Company for compliances under other applicable Acts, Laws and Regulations to the Company.

We are of the opinion that the management has complied with the following laws specifically applicable to the Company:

1. Factories Act, 1948;
2. Industries (Development & Regulation) Act, 1951
3. Labour Laws and other incidental laws
4. Environment Protection Act, 1986 and other Environmental Laws
5. Employees State Insurance Act, 1948
6. Hazardous Wastes (Management and Handling) Rules, 1980 and Amendment Rule, 2003
7. Indian Contract Act, 1872
8. Minimum Wages Act, 1948
9. Negotiable Instruments Act, 1881
10. The Trade Marks Act, 1999
11. The Legal Metrology Act, 2009
12. Maharashtra Shops and Establishments (Regulation of Employees and Conditions of Service) Rule, 2018

Based on the Compliance Certificates obtained by the Company from the various functional heads and Factory Managers, we relied on the Compliances of the above mentioned statutes.

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

- (a) Secretarial Standards i.e SS-1 & SS-2 issued by The Institute of Company Secretaries of India.
- (b) The Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the Listing Agreements entered into by the Company with Stock Exchanges.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

We further report that

- The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.
- Adequate notice were given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.
- All decisions of the Board and Committee meeting were carried with requisite majority.

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

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

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

1. Mr. Manish Kumar Srivastava was appointed as Joint Managing Director of the Company for a period of three years with effect from 20th July, 2020 till 19th July, 2023.
2. Mr. Ashok Shantilal Jatia was re-appointed as Non-Executive Independent Director of the company for five years with effect from 2nd November, 2020 to 1st November, 2025.

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

1. Declaration of Interim Dividend of Rs.1.50 per equity share of Re. 1/- was approved in the Board Meeting held on 3rd February, 2021.

Place: Mumbai
Date: 31st May 2021

For Ragini Chokshi & Co.
Company Secretaries

Makarand Patwardhan
(Partner)
CP No: 9031
ACS: 11872
UDIN:

Annexure - A

To,
The Members,
Modison Metals Limited
33 Nariman Bhavan,
227, Nariman Point
Mumbai – 400021, Maharashtra

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

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

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

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

Place: Mumbai
Date: 31st May 2021

For Ragini Chokshi & Co.
Company Secretaries

Makarand Patwardhan
(Partner)
CP No: 9031
ACS: 11872

Form AOC-1
ANNEXURE V

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

Statement containing salient features of the financial statement of subsidiaries/associate companies/joint ventures
(Rupees in Lakhs)
Part "A" : Subsidiaries

Sr.no	Name of the subsidiary	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	Share Capital	Reserves & Surplus	Total assets	Total Liabilities	Investments	Turnover	Profit before tax	Provision for taxation	Proposed Dividend	% of Shareholding
1	Modison Contacts Private Limited	Not Applicable	Not Applicable	8.00	18.44	27.02	0.58	21.44	1.21	0.83	0.12	-	100%

G.L.Modi
Managing Director
Manish Kumar Srivastava
Jt. Managing Director

Place: Mumbai
Date: 31st May 2021

Ramesh Kothari
Chief Financial officer
Manika Arora
Company Secretary

Corporate Governance

1. Company Philosophy

Good governance practices stem from the value system and philosophy of the organization and at Modison, we are committed to optimize shareholder returns, governance processes and an entrepreneurial, performance focused, conducive work environment.

The values of the Company i.e. Safety, Respect, Excellence, Courage and One Team in its ways of working, are fundamental drivers of sustainable business performance. The Board is collectively responsible to ensure that

Corporate Governance processes are structured to direct the Company's actions and agents to achieve this purpose, while complying with the Code of Governance. The Company's policies cover aspects such as ethical conduct, care for health, safety and environment; control and finance; commitment to employees and relationships as rooted in the Company's Governance Principles.

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

The Company has adopted a Code of Conduct for its employees including the Managing Director and the Executive Directors. In addition, the Company has adopted a Code of Conduct for its non-executive directors which includes Code of Conduct for Independent Directors which suitably incorporates the duties of Independent Directors as laid down in the Companies Act, 2013 ("the Act"). The Company's corporate governance philosophy has been further strengthened through the Modison Metals Limited, Code of Conduct for Prevention of Insider Trading and the Code of Corporate Disclosure Practices ("Insider Trading Code").

The Company has established procedures and systems to be fully compliant with the requirements stipulated by the Securities and Exchange Board of India (SEBI) from time to time, under Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. The provisions of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 have been implemented in a manner so as to achieve the objectives of Corporate Governance.

The Company's business objective and that of its management and employees is to manufacture and market the Company's products in such a way as to create value that can be sustained over the long term for consumers, shareholders, employees, business partners and the national economy. The Company is conscious of the fact that the success of a corporation is a reflection of the professionalism, conduct and ethical values of its management and employees. In addition to compliance with regulatory requirements, the Company endeavors to ensure that highest standards of ethical and responsible conduct are met throughout the organization.

2. Rights of the Shareholders

The Company believes in protecting the rights of the shareholders. It ensures adequate and timely disclosure of all information to the shareholders in compliance with the applicable laws. Shareholders are furnished with sufficient and timely information concerning the general meetings, issues to be discussed thereat and rules regarding holding and conducting the general meetings. All shareholders are treated equitably.

3. Role of Stakeholders

The Company recognizes the rights of the stakeholders who are provided opportunity to obtain effective redressal for violation of their rights. Keeping the same in view, the Company has laid down an effective whistle blower policy enabling stakeholders, including employees to freely communicate their concerns about illegal or unethical practices.

4. Board of Directors

(a) Composition and Category of Director

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

The composition of Board, as on 31st March, 2021, is in conformity with the provisions of the Companies Act, 2013 and Regulation 17 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

As on 31st March, 2021, the Board comprised of the eight Directors – Four Executive Directors and Four Non-Executive Directors, of whom three are Independent Directors. The current strength of the Board includes one Women Director as required under applicable legislation. The Chairman of the Board is a Non-Executive Independent Director.

The names and categories of the Directors on the Board, their attendance at board meetings held during the year under review and at the last Annual General Meeting (“AGM”), name of other listed entities in which the Director is a director and the number of Directorships and Committee Chairmanships / Memberships held by them in other public limited companies as on March 31, 2021 are given herein below. Other directorships do not include directorships of private limited companies, foreign companies and companies registered under Section 8 of the Act. Further, none of them is a member of more than ten committees or chairman of more than five committees across all the public companies in which he / she is a Director. For the purpose of determination of limit of the Board Committees, chairpersonship and membership of the Audit Committee and Stakeholders’ Relationship Committee has been considered as per Regulation 26(1)(b) of SEBI Listing Regulations.

Name of Director	Category	Relationship with Other Directors	Meetings held during the year	Attendance at Board Meetings	Attendance at last AGM	Number of Directors in Board of Other Public Companies)	Committee Position Held in other Public Companies		Directorship in other listed entity (Category of Directorship)
							Chairman	Member	
Mr. Ashok Jatia - Chairman	Non-Executive & Independent	None	4	4	Yes	NIL	-	-	-
Mr. G.L. Modi Managing Director	Executive	Father of Mr. Kumar Jay Modi	4	4	Yes	Nil	-	-	
Mr. Rajkumar Modi - Joint Managing Director	Executive	None	4	4	Yes	Nil	-	-	
Mr. Kumar Jay. Modi - Whole time Director	Executive	Son of Mr. G.L. Modi	4	4	Yes	Nil	-	-	-
Mr. Rakesh Singh-Director	Non-Executive	None	4	4	Yes	Nil	-	-	-
Mr. Manish Srivastava - Joint Managing Director	Executive (Appointed w.e.f 20.07.2020)	None	4	4	Yes	Nil	-	-	-
Mr. R. A. Goenka-Director	Non-Executive & Independent	None	4	4	Yes	1	-	-	-
Mrs. Rita Bhatia - Women Director	Non-Executive & Independent	None	4	4	Yes	1	-	-	-
Mr. Suresh Mody-Director	Non-Executive (Ceased to be Director w.e.f 9 th September, 2020)	None	4	1	Yes	Nil	-	-	-

b) Appointment / Reappointment of Directors

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

The list containing the details of the Directors seeking re-appointment at the 38th Annual General Meeting is given below:

Name of the Director	Mr. Rajkumar Modi	Mr. G.L. Modi
Date of birth	08.03.1965	04.06.1941
Date of Appointment	09.06.1998	01.01.1997
Qualification	B.Com, MBA	Diploma in Electrical Engineering
Expertise in specific functional Area	He has sharp business acumen, stronghold in export market and excellent administrative skills.	56 years of experience in Engineering Industry.
List of other public limited companies (in India) in which outside directorship held	None	None
Member of the committee/s of Board of Member of the committee/s of Board of Directors of other companies in which he is a Director	None	None
Relationship with other Director	None	Father of Mr. Kumar Jay Modi
Number of Shares held in the company	67,47,305	75,82,130 shares are held as beneficial owner on behalf of HUF

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

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

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

During the year, none of the Independent Directors of the Company had resigned before the expiry of their respective tenure(s). The core skills / expertise competencies as identified by the Board of Directors as required in the context of the Company's business(es) and sector(s) for it to function effectively and those actually available with the Board are given below:

Sr. No	Name of Director	Category	Special Knowledge/Practical Experience/Skills/Competencies Expertise/
1	Mr. G. L. Modi	Managing Director	1) Technical knowledge 2) Engineering 3) Engineering creative solutions 4) Business Strategy 5) Risk management 6) Product quality
2	Mr. Manish Srivastava	Joint Managing Director	1. Business Strategy 2. Business Management 3. Corporate Governance 4. Operational Excellence.
3	Mr. Rajkumar Modi	Joint Managing Director	1) Sales & Marketing 2) Business Strategy 3) Business management 4) Project execution 5) Automation 6) Product competency
4	Mr. Kumar Jay Modi	Whole time Director	1) Sales & Marketing 2) Higher productivity 3) Business management 4) Project execution 5) Product competency-bullion
5	Mr. Rakesh Singh	Non Executive Director	1) Business Strategy 2) Business Management
6.	Mr. R.A. Goenka	Non Executive & Independent Director	1) Business Management 2) Technical Knowledge 3) Marketing-overseas
7.	Mr. Ashok Jatia	Non Executive & Independent Director	1) Accountancy 2) Finance 3) Taxation 4) Investment
8.	Mrs. Rita Bhatia	Non Executive & Independent Director	1) Legal

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

- e) Details of equity shares of the Company held by the Directors as on March 31, 2021 are given below:

Name	Category	Number of equity shares
G.L. Modi (Shares are held as beneficial owner on behalf of HUF)	Non-Independent, Executive	75,82,130
Rajkumar Modi	Non-Independent, Executive	67,47,305
Kumar Jay Modi	Non-Independent, Executive	17,74,000
Suresh Chandra Mody *(Ceased to be Director w.e.f 9th September, 2020)	Non-Independent, Non-Executive	2,12,240
Manish Kumar Srivastava *(Appointed w.e.f 20.07.2020)	Non-Independent, Executive	14,534
Rakesh Singh	Non- Independent, Non-Executive	12,000

f) Relationships between Directors Inter-se.

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

g) Independent Directors

Independent Directors are non-executive directors as defined under Regulation 16(1)(b) of the SEBI Listing Regulations read with Section 149(6) of the Act along with rules framed thereunder. In terms of Regulation 25(8) of SEBI Listing Regulations, they have confirmed that they are not aware of any circumstance or situation which exists or may be reasonably anticipated that could impair or impact their ability to discharge their duties. Based on the declarations received from the Independent Directors, the Board of Directors has confirmed that they meet the criteria of independence as mentioned under Regulation 16(1)(b) of the SEBI Listing Regulations and that they are independent of the management. The Independent Directors of the Company fully meet the requirements laid down under Regulation 17 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended from time to time.

None of the Independent Directors serves as an independent director on more than seven listed entities. Necessary disclosures regarding Committee positions in other public companies as on March 31, 2021 have been made by the Directors.

The **tenure** of the Independent Directors is fixed in accordance with the requirements laid down in the Companies Act, 2013 and clarifications / circulars issued by the Ministry of Corporate Affairs and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, in this regard, as amended from time to time.

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

h) Separate meetings of the Independent Directors

As required under Regulation 25 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, a meeting of the Independent Directors were held on 3rd February, 2021 without the attendance of Executive Directors and members of Management. At the Meeting, they:

- (i) reviewed the performance of non-independent directors and the Board of Directors as a whole;
- (ii) review the performance of the chairperson of the listed entity, taking into account the views of executive directors and non-executive directors;
- (iii) assessed the quality, quantity and timeliness of flow of information between the Management of the Company and the Board of Directors that is necessary for the Board of Directors to effectively and reasonably perform their duties.
- (iv) Other related matter.

i) Familiarisation Programme for Independent Directors

The Board members are provided with necessary documents/brochures, reports and internal policies to enable them to familiarize themselves with the Company's procedures and practices. Periodic presentations are made at the Board and the committee meetings, on business and performance updates of the Company, global business environment, business strategy and risks involved. Independent directors and executive directors are issued letters of appointment setting out in detail, the terms of appointment, duties, responsibilities and expected time commitments. The induction process for non-executive, independent directors includes interactive sessions with the management, business and functional heads, visits to markets/ plants, etc. The independent directors, from time to time, request the management to provide detailed understanding of any specific project, activity or process of the Company. The management provides such information and training either at the meeting of Board of Directors or otherwise. All the Directors are aware and are also updated as and when required, of their role, responsibilities and liabilities. The Company conduct programmes/ presentations periodically to familiarise the Independent Directors with the strategy, operations and functions of the Company through its Executive Directors or Senior Management Personnel.

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

5) Board Meetings and General Meetings

The Board meets at regular intervals to discuss and decide on the business policy and strategy of the Company apart from other Board business. A tentative annual calendar of the Board and committee meetings is circulated to the directors well in advance to facilitate them to plan their schedule and to ensure meaningful participation in the meetings. However, in case of a special and urgent business need, the Board's approval is taken by passing resolutions by circulation, as permitted by law, which is noted and confirmed in the subsequent board meeting. The notice of board meeting is given well in advance to all directors. Usually, meetings of the Board are held in Mumbai. The agenda are circulated well in advance before each meeting, to all directors, for facilitating effective discussion

and decision making. Considerable time is spent by the directors on discussions and deliberations at the board meetings. The Company Secretary and Compliance Officer is responsible for collation, review and distribution of all papers submitted to the board and committees thereof for consideration. The Company Secretary and Compliance Officer is also responsible for preparation of the agenda and convening of the Board and committee meetings. The Company Secretary and Compliance Officer attends all meetings of the Board and its committees, advises/ assures the Board on compliance and governance principles and ensures appropriate recording of minutes of the meetings. In addition to the formal meetings, interactions outside the Board meetings also take place between the Chairman and the independent directors and with other Directors. The Board is apprised and informed of all the important matters relating to the business of the Company including those information as prescribed in Schedule II (Part A &B) of Regulation 17 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

During the financial year, total 4 (four) Board meetings were held i.e. on 20th July, 2020, 14th September, 2020, 10th November 2020 and 3rd February 2021 respectively. The maximum interval between any two meetings was within the maximum allowed gap pursuant to the Companies Act, 2013 and SEBI Listing Regulations read with the Circulars issued by MCA and SEBI with respect to increase in the gap and extension for holding meetings pursuant to COVID-19 pandemic.

ii) General Meetings

Annual General Meetings held during last three years:

Financial year	Date	Time	Venue
2017-2018	07.08.2018	11.30 A.M.	Radio Room, The Bombay Presidency Radio Club Ltd., Arthur Bunder Road, Colaba, Mumbai-400005
2018-2019	06.08.2019	11.30 A.M.	
2019-2020	08.09.2020	11.30 A.M.	Video Conferencing(“VC”)/ Other Audio Visual Means (“OAVM”)

Postal Ballots

j) During the Financial Year 2020-2021, there were no special resolutions passed by way of Postal Ballot.

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

None of the business proposed to be transacted at the ensuing AGM require special resolution to be passed through postal ballot.

Special Resolutions passed in previous three AGMs:

Date of AGM	Special Resolution
07.08.2018	i) To re-appoint and fix remuneration of Mr. G.L. Modi,(DIN:00027373) as a Managing Director. ii) To reappoint and fix remuneration of Mr. Kumar Jay Modi (DIN No: 00059396) as a Whole-time Director. iii) To appoint Mr. Sureshchandra Mody (DIN: 00027432) as a consultant. iv) To approve amendment in agreement and approve the remuneration of Mr. Rakesh Singh (DIN:07319353), Whole Time Director of the Company.
06.08.2019	i) To re-appoint and fix remuneration of Mr. RajKumar Modi (DIN: 00027449), Joint Managing Director. ii) To re-appoint and fix remuneration of Mr. Kumar Jay Modi (DIN: 00059396), Whole Time Director. iii) To re-appoint Mr. R.A. Goenka (DIN: 00140376) as an Independent Director. iv) To re-appoint Ms. Rita Bhatia (DIN: 06973893) as an Independent Director. v) To appoint Mr. Sureshchandra Mody (DIN: 00027432) as a consultant.
08.09.2020	i) Re-Appointment of Mr. Ashok Shantilal Jatia (DIN: 07209136) as an Independent Director of the Company for a period of 5 years. ii) Approval of consultancy / professional fees to Mr. Suresh Mody, Non-Executive Director of the Company. iii) Approval of payment of professional fees to Mr. Ashok Shantilal Jatia, Independent Director of the Company. iv) Approval of payment of professional fees to Ms. Rita Bhatia, Independent Director of the Company. v) Appointment of Mr. Manish Kumar Srivastava as Joint Managing Director of the Company

iii. Extra Ordinary General Meeting

No Extra Ordinary General Meeting of the Shareholders was held during the financial year ended 31st March, 2021.

6) Board Committees

As mandated by Regulation 26 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, which has become applicable to the Company with effect from 1st December, 2015, none of the Directors on the Board is a Member of more than ten (10) Committees and none is a Chairman of more than five (5) Committees across all Listed Entities in which they are Directors. All the Directors have made necessary disclosures regarding Committee positions held by them in other Companies.

To align with the requirements prescribed for such Board Committees under the provisions of the Companies Act, 2013 and Regulation 26 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, during the year ended 31st March, 2021, the Board of Directors amended the terms of references, wherever required.

The Board has constituted the following committees

- I. Audit Committee.
- II. Nomination and Remuneration Committee.
- III. Stakeholders Relationship Committee.
- IV. Corporate Social Responsibility Committee.
- V. Risk Management Committee.
- VI. Share Transfer Committee.
- VII. Finance Committee.

The composition of the Committees, the number of meetings held during the year ended 31st March, 2021 and attendance therein along with the terms of reference are provided below:

I. Audit Committee

a) Composition

The Audit Committee meets the criteria laid down under Section 177 of the Companies Act, 2013 and Regulation 18 of SEBI (Listing Obligations and Disclosure) Regulations, 2015. As on 31st March, 2021, Audit Committee comprises of three Independent Directors including the Chairman of the Audit Committee and one Executive Director.

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

b) Meetings and details of attendance

Four Audit Committee Meetings were held during the year ended 31st March, 2021 on 20.07.2020, 14.09.2020, 10.11.2020 and 03.02.2021. Details of attendance of each Director at the Audit Committee Meetings are given below:-

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

The Company Secretary acts as the Secretary of the Audit Committee. The members of the Audit Committee are financially literate and three members have accounting and related financial management expertise. The Statutory Auditor, Chief Financial Officer and Internal auditor are invitees to the meetings.

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

The minutes of the meetings of the Audit Committee are noted at the Board Meetings. The Chairperson of the Audit Committee, Mrs. Rita Bhatia was present at the 37th Annual General Meeting held in 8th September, 2020 for addressing shareholders queries.

c) Terms of reference

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

- e) Compliance with Listing and other legal requirements relating to financial statements.
- f) Disclosures of related party transactions.
- g) Modified opinion(s) in the draft Audit Report.
- v) Reviewing with the management, the quarterly financial statement before submission to the Board for approval.
- vi) Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter.
- vii) Review and monitor the auditor's independence and performance, and effectiveness of audit process;
- viii) Approval or any subsequent modification of transactions of the Company with related parties;
- ix) Scrutiny of inter-corporate loans and investments.
- x) Valuation of undertakings or assets of the Company, wherever it is necessary;
- xi) Evaluation of internal financial controls and risk management systems.
- xii) Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
- xiii) Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
- xiv) Discussion with internal auditors of any significant findings and follow up there on;
- xv) Reviewing the findings of any internal investigations into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board.
- xvi) Discussion with the Statutory auditors before the audit commences, about nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
- xvii) To look into the reasons for the substantial defaults in the payment to the depositors, debenture holders, shareholder (in case of non-payment of declared dividends) and creditors.
- xviii) To review the functioning of Whistle Blower Mechanism.

- xix) Approval of appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate;
- xx) Reviewing the annual cost audit report submitted by the Cost Auditors.
- xxi) Reviewing the utilization of loans and/ or advances from/investment by the holding company in the subsidiary exceeding rupees 100 crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans / advances / investments existing as on the date of coming into force of this provision.]
- xxii) Reviewing the following information:
- Management discussion and analysis of financial condition and results of operations;
 - Statement of significant related party transactions;
 - Management letters/letters on internal control weaknesses issued by the Statutory Auditors;
 - Internal audit reports relating to internal control weaknesses;
- xxiii) The appointment, removal and terms of remuneration of the chief internal auditor.
- xxiv) Carrying out any other function as mentioned in the terms of reference of Audit Committee.

II. Nomination and Remuneration Committee

a) Composition

The Nomination and Remuneration Committee meets the criteria laid down under Section 178 of the Companies Act, 2013 and Regulation 19 of SEBI (Listing Obligations and Disclosure) Regulations, 2015. As on 31st March, 2021, Nomination and Remuneration Committee comprises of three Independent Directors including the Chairman of the Nomination and Remuneration Committee.

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

b) Meetings and details of attendance

Two Nomination and Remuneration Committee Meetings were held during the year ended 31st March, 2021 on 20.07.2020 and 03.02.2021. Details of attendance of each Director at the Nomination and Remuneration Committee Meetings are given below:-

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

During the year under review there were no changes in the NRC.

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

c. Terms of Reference

The Company's Nomination and Remuneration Committee is vested with all the necessary powers and authority to:

- Ensure appropriate disclosure on the remuneration of director and to deal with all the elements of remuneration package of Directors and Management Personnel.
- Formulate the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board of Directors a policy, relating to the remuneration of the directors, key managerial personnel and other employees.
- Formulate the criteria for evaluation of Independent Directors and the Board of Directors.
- Devise a policy on diversity of Board of Directors
- Identify persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board their appointment and removal;
- Whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors.
- recommend to the board, all remuneration, in whatever form, payable to senior management.

d. Performance Evaluation Criteria for Independent Directors

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

e. Performance Evaluation of Board:-

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

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

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

As required under Regulation 25 of the SEBI Listing Regulations, a separate meeting of the

Independent Directors of the Company was also held on 3rd February, 2021 to evaluate the performance of the Chairman, Non-Independent Directors and the Board as a whole and also to assess the quality, quantity and timeliness of flow of information between the management of the Company and the Board.

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

- attendance and contribution at Board and committee meetings and application of his/her expertise, leadership qualities and knowledge to give overall strategic direction for enhancing the shareholders' value.
- Review of risk assessment and risk mitigation.
- his/her ability to monitor the performance of the management and satisfy himself/herself with integrity of the financial controls and systems in place, etc.
- Review of financial statements, business performance and
- Contribution to the enhancement of brand image of the Company.

f. Remuneration Policy

The Company has adopted a policy on Nomination, Independence, Remuneration, Diversity and Evaluation ("Policy"). The Policy is in compliance with all applicable provisions of the Companies Act, 2013, particularly Section 178 read together with the applicable rules thereto and Regulation 19(4) of Listing Regulations, 2015. The Policy is designed to attract and retain best talent, who has the potential to drive growth and enhance shareholder value, it is essential to adopt comprehensive compensation policy which is in synchronization with the industry trends. The Company has also adopted the Policy which is based on the principle that the Company's Board of Directors should have a balance of skills, experience and diversity of perspectives appropriate to the Company's business.

The Company recognizes that a Board composed of appropriately qualified people with a broad spectrum of experience relevant to the business is important for effective corporate governance and sustained commercial success of the Company. The Company aims to achieve a sustainable and balanced development by building a diverse and inclusive culture. The Policy is available on the website of the Company. The remuneration policy is based on three tenets: Pay for responsibility, Pay for Performance and potential and Pay for growth.

g. Remuneration of Independent Non-Executive Directors

The remuneration to be paid to the Independent Non-Executive Directors is decided by the Board based on the recommendation of the Nomination & Remuneration Committee and subject to the approval of the shareholders of the Company. The remuneration shall not exceed 1% of the net profit of the Company for each financial year calculated as per the provisions of the Companies Act, 2013. The Independent Non-Executive Directors of the Company did not receive any commission from the Company for the financial year ended 31st March, 2021. Only Professional and sitting fees as approved by the Board were paid to the Independent Non-Executive Directors for providing professional services and attending the meetings of the Board and/or Committee thereof.

h. Pecuniary Relationship of Non-Executive Directors

The Company has no pecuniary relationship or transaction with its non-executive and independent directors other than payment of sitting fees to them for attending Board and committee meetings.

i. Remuneration paid to all the Directors

Remuneration of Directors, Sitting Fees, Salary, Perquisites:

Executive Director: Managing Director / Whole time Directors.

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

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

The Remuneration (including perquisites and benefits) paid to the Managing Director/ Whole time Director during the year ended 31st March 2021 is as follows:-

(Rupees in Lakhs)

Sr. No	Name of director	Sitting Fees	Salary(*)	Perquisites	Gratuity Provision	Contribution to Provident Fund	Total Amount
1	G. L. Modi, Managing Director	-	175.75	2.44	4.50	0.21	182.90
2	Rajkumar Modi, Joint Managing Director	-	112.55	2.09	2.82	0.21	117.67
3	Kumar Jay Modi, Whole Time Director	-	103.53	2.56	2.58	0.21	108.88
4.	Manish Srivastava, Joint Managing Director w.e.f. 20.07.2020	-	80.48	0.28	-	0.14	80.90

(*) Salary includes leave salary & Incentive also.

j. Performance linked incentive criteria

Performance Linked Incentive #	Manish Kumar Srivastava Joint Managing Director (Appointed w.e.f. 20.07.2020)

#Performance Linked Incentive is based on achievements against pre-agreed targets.

k. Employee Stock Option Scheme

The Company does not have any stock option scheme.

I. Payment to Non-Executive Directors

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

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

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

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

(Rupees in Lakhs)

Sr. No.	Name of Director	Professional Service	Professional Fees
1	Mr. Suresh Mody	Consultant	6.25
2	Mr. Rita Bhatia	Legal	0.20
3	Mr. Ashok Jatia	Accounting, Taxation, Secretarial	0.20

The details of Sitting Fees paid to Non-Executive Directors for attending Board and Committee Meetings during the year 2020-2021 are given below:

(Rupees in Lakhs)

Sr. No.	Name Of Director	Directors Sitting Fees (*)
1	Mr. Suresh Mody(Ceased to be Director w.e.f 9th September, 2020)	0.20
2	Mr. Ramavtar Goenka	2.00
3	Mrs. Rita Bhatia	2.00
4	Mr. Ashok Jatia	2.00
5	Mr. Rakesh Singh	0.80

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

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

Sr.No	Name of Directors	No of shares held
1	Mr. Suresh Mody(Ceased to be Director w.e.f 9th September, 2020)	2,12,240
2	Mr. Ramavtar Goenka	-
3	Mr. Rakesh Singh	12,000
4	Mrs. Rita Bhatia	-
5	Mr. Ashok Jatia	-

III. Stakeholder's Relationship Committee

The Board of Directors had constituted the Stakeholders Relationship Committee. The Committee focuses primarily on monitoring and ensuring that all shareholder and investor services operate in an efficient manner and that shareholder and investor grievances / complaints including that of all other stakeholders are addressed promptly with the result that all issues are resolved rapidly and efficiently.

Mr. Ashok Jatia, Non-Executive and Independent Director is the Chairman of the Shareholders' Relationship committee. The minutes of the meeting of the Stakeholders' Relationship Committee was noted at the Board Meeting. The Chairperson of the Stakeholders' Relationship Committee was present at the 37th Annual General Meeting held on 8TH September, 2020.

The Composition of the Stakeholders Relationship Committee is detailed below:

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

The Company Secretary, is acting as the Compliance Officer of the Committee. The Committee also noted that there were no investors/shareholders complaint received during the year ended on 31st March 2021.

Stakeholders Relationship Committee meetings and attendance

One Stakeholders Relationship Committee Meeting was held during the year ended 31st March, 2021 on 2.02.2021. Details of attendance of each Director at the Stakeholders Relationship Committee Meeting is given below:

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

The terms of reference of the Committee are:

- to approve transfer/ transmission of shares/ debentures and such other securities, as may be issued by the Company from time to time;
- issue of duplicate share certificates for shares/ debentures and other securities reported lost, defaced or destroyed as per the laid down procedure;
- to issue new certificates against subdivision of shares, renewal, split or consolidation of share certificate/ certificates relating to other securities;

-
- d. to issue and allot right shares/bonus shares pursuant to a rights issue/bonus issue, subject to such approvals as may be required;
 - e. to oversee, approve and monitor dematerialization for shares/debentures, the implementation of ESOS scheme, if any, as and when implemented by the Company;
 - f. to issue and allot debentures, bonds and other securities as approved by the Board of Directors and subject to such other approvals of the Regulators as may be required;
 - g. to approve and monitor requests relating to dematerialization of shares/ debentures/ other securities and all matters incidental or related thereto;
 - h. to authorise the Company Secretary/other officers of the Share Department to attend to matters relating to: transfer/transmission of shares, issue of duplicate share certificates for shares reported lost, defaced or destroyed, to issue new certificates against subdivision of shares, renewal, split or consolidation of share certificates;
 - i. non-receipt of annual reports, notices, non-receipt of declared dividend, change of address for correspondence and other such issues, and to monitor action taken thereon;
 - j. to monitor Investor Relation activities of the Company and give guidance on the flow of information from the Company to the investors;
 - k. to monitor expeditious redressal of grievances of shareholders/security holders and all other matters incidental or related to issue of shares, debentures and other securities if any, of the Company;
 - l. to review reports relating to grievances of investors, shareholding pattern and other reports, which are to be submitted to the Stock Exchanges periodically in line with the requirements of the SEBI Listing Regulations;
 - m. review of measures taken for effective exercise of voting rights by shareholders;
 - n. reviewing the various measures and initiatives taken to reduce the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/ annual reports/ statutory notices by the shareholders of the Company;
 - o. review of adherence to the service standards adopted in respect of various services being rendered by the Registrar and Share Transfer Agent;
 - p. review of transfer of unpaid/ unclaimed dividend/ shares to the Investor Education and Protection Fund of the Government of India in line with the relevant Rules thereunder;
 - q. any other matters as may be assigned to the committee by the Board of Directors from time to time.

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

Particulars	Number of Complaints			
	As on 1 st April, 2020	Received during Financial Year	Clear during Financial Year	Pending as on 31 st March, 2021
Non-receipt of demand draft	NIL	NIL	NIL	NIL
Non-receipt of share certificates after transfer, deletion of name, transmission, consolidation of folios & share certificates, correction of name etc.	NIL	NIL	NIL	NIL
Non-Receipt of Annual Report	NIL	NIL	NIL	NIL
SEBI Complaints Redressal System (SCORES) and Stock Exchange(BSE)	NIL	NIL	NIL	NIL
Total	NIL	NIL	NIL	NIL

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

IV Corporate Social Responsibility (CSR) Committee

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

The Company has always been conscious of its obligations vis-à-vis the communities it impacts and has been pursuing various CSR activities long before these were mandated by law. A Committee of the Board was constituted to oversee and give direction to the Company's CSR activities.

The terms of reference of the CSR Committee broadly includes:

- to review CSR projects with a view to ensure that they are in line with the CSR objectives and the CSR Policy of the Company and are aligned with Schedule VII of the Act;
- to review the annual CSR budget and recommend the same to the Board of Directors for approval;
- to approve the amount of expenditure to be incurred on the various CSR initiatives;
- providing guidance in the manner in which the CSR projects undertaken by the Company could make an impactful intervention across the communities in which the Company operates; to oversee and review the impact of CSR projects undertaken by the Company vis-à-vis sustainability;
- receive updates from the Management regarding the Company's Environment, Social and Governance ('ESG') activities;
- provide oversight and guidance on ESG matters & opportunities, social responsibilities and impacts.

Mr. G L Modi, Executive and Managing Director is the Chairman of the CSR Committee.

During the year under review there were following changes in the CSR:

1. Mr. Rajkumar Modi was appointed as the Member of the Committee w.e.f 10.11.2020.
2. Mr. Suresh Chandra Mody ceased to be the Member of the Committee w.e.f 09.09.2020.

The Composition of the CSR Committee is detailed below:

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

One meeting of the CSR Committee was held on 2nd February, 2021. The Chairman was present in the last Annual General Meeting. Details of attendance of each Director at the CSR Committee Meeting is given below:

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

The Company CSR Policy can be accessed from the website of the Company www.modison.com and the CSR Report forms an integral part of the Board Report.

V. Risk Management Committee

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

Mr. Rajkumar Modi, Joint Managing Director is the Chairman of the Risk Management Committee. The Chairman was present in the last Annual General Meeting.

The Composition of the Risk Management Committee is detailed below:

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

VI. Finance Committee

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

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

The Composition of the Finance Committee is detailed below:

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

7)Disclosures

- **Whistle Blower Policy/Vigil Mechanism**

In term of regulation 22 of SEBI Listing Regulations in line with the best Corporate Governance practices, the company has this policy and established the necessary vigil mechanism for directors and employees to report concern about unethical behavior. No person has been denied access to the Chairperson of the Audit Committee. The Company has put in place a process by which employees and business associates have direct access to the Higher level and Compliance Officer.

The Whistle-blower Policy is placed on the website of the Company and the web-link is <http://www.modison.com/company-code-and-policies.html>.

- **Subsidiary Company**

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

The company doesn't have material unlisted subsidiary company.

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

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

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

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

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

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

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

8)Other Disclosures

- Related party transactions are disclosed in Note No. 43 to the financial statement in the Annual Report along with detail of such transaction entered by the Company with related parties have been disclosed in AOC-2. The Audit Committee had reviewed and approved the related party transactions as mandatory requirement under Regulation 23 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- The Company has formulated a policy on Related Party Transactions and also on dealing with Related Parties which is disclosed on the website of the Company and the weblink is <http://www.modison.com/company-code-and-policies.html>.
- All Related Party Transactions have been approved by the Audit Committee. The Company has taken omnibus approval of Audit Committee for a period of one year. The Audit Committee has reviewed on quarterly basis the details of Related Party Transactions entered into by the Company pursuant to such omnibus approval.
- Pursuant to Schedule V (C) 10 (b) to the SEBI Listing Regulations, The Company had complied with the requirement of the Stock Exchange, SEBI and other statutory authorities on all matters relating to capital market during the last three years. No pecuniary structures have been imposed on the Company by any of the above-mentioned authorities.
- The Company has prepared the financial statements in compliance with the Accounting Standards applicability to the Company. There is no material departure from the accounting treatment prescribed under the Accounting Standards.
- The Company has complied with all the mandatory requirements and has also disclosed information relating to non-mandatory requirements.
- Risk Management:
The Company has a mechanism in place to inform the Board about the risk assessment and minimization procedures and periodical review to ensure that management controls risk through means of a properly defined framework.
- The Company manages its foreign exchange risks by hedging its net exposure with the use of appropriate hedging instruments (e.g. forward contracts). The derivatives are used only for hedging purposes and speculation is strictly prohibited.

- Credit Rating:

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

- The Company has complied with the corporate governance requirements specified in Regulations 17 to 27 and the mandatory requirements under Schedule II and Regulation 46 of the SEBI Listing Regulations as amended.
- The Corporate Governance Report of the Company for the financial year ended 31st March, 2021 is in compliance with the SEBI Listing Regulations.
- M/s. Ragini Chokshi & Co. has certified that none of the directors on the board of the Company have been debarred or disqualified from being appointed or continuing as directors of Companies by the Ministry of Corporate Affairs or any statutory Authority. A certificate duly signed by the Practicing Company Secretary is annexed to this Report.
- There are no such recommendations of any committee of the board which are not accepted during the financial year.
- M/s. Kanu Doshi and Associates LLP, Chartered Accountants (Firm Registration No.104746W/W100096) have been appointed as the Statutory Auditors of the Company. The particulars of payment of Statutory Auditor's Fees, on consolidated basis is given below:

Rs. in Lakhs	
Particulars	Professional Fee
Audit Fees	4.29
other matters	0.86
GST	0.93
Total	6.08

- No funds are raised during the financial year through preferential allotment or qualified institutions placement.
- Disclosure in relation to Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act,2013 (‘Act’):-

Sr. No.	Particulars	No. of Complaints
a.	Number of Complaints filed during the Financial Year	Nil
b.	Number of Complaints disposed of during the Financial year	Nil
c.	Number of complaints pending as on the end of the Financial year	Nil

9) Means of Communication

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

The Quarterly and Half-yearly un-audited Financial Results are generally published in the Free Press Journal and Navshakti. The Company has updated the quarterly results and other requirements on its website and also in other official news. The Company also update the investor presentation on BSE website. The Company's website is: www.modison.com.

- **Management Discussion and Analysis Report**

The Management Discussion and Analysis Report forms part of the Director's Report. All matters relating to Industry Structures and Development, Opportunities and Threats, Segment wise and Product wise performance, Outlook, Risks and Concern, Internal Control System and its adequacy, Discussion on financial performance with respect to operational performance, material development in human resources, details of significant changes in key financial ratios and details of any change in Return on Net Worth are discussed in the Director's Report.

10) Non- Mandatory Requirements

- **Chairman's Office**

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

- **Modified opinion(s) in audit report**

There are no qualifications in the Auditors' Report to the Members on the Financial Accounts for the year ended 31.03.2021.

- **Shareholders' Rights**

As the quarterly and half yearly financial performance along with significant events are published in the newspapers and are also posted on the Company's website, the same are not being sent to the shareholders.

- **Reporting of Internal Auditor:**

The Internal Auditor of the Company reports to the Audit Committee and make detailed presentation at the quarterly meeting.

- **Other Non-Mandatory Requirements**

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

11) Secretarial Audit

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

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

Also, the secretarial audit report by M/s. Ragini Chokshi & Co, a Practising Company Secretary forms part of the Board's Report as an Annexure. The Report is self-explanatory.

12) General Shareholder Information**a) 38th AGM Date: 3rd August 2021**

Time: 11.30 am

Venue: The Annual General Meeting of the Company will be held on 3rd August 2021, at 11.30 am through OAVM/VC. The Company is conducting AGM through VC / OAVM pursuant to the MCA Circular dated January 13, 2021 (General Circular No. 02/21) read with circulars dated April 8, 2020, April 13, 2020 and May 5, 2020 (collectively referred to as "MCA Circulars") and as such there is no requirement to have a venue for the AGM. For details, please refer to the Notice of this AGM

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

b) Financial Calendar April 2020 to March 2021**c) Period of Book Closure: 28th Jul 21 to 3rd Aug 21 .****d) Final Dividend Payment Date: Not Applicable****e) Listing on Stock Exchanges: The equity shares of the Company are listed on the following Stock Exchange**

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

Further, the Equity Shares of the Company are listed and admitted to dealings on the National Stock Exchange w.e.f. May 03, 2021 and the Company has paid the annual listing fees to the Stock Exchange.

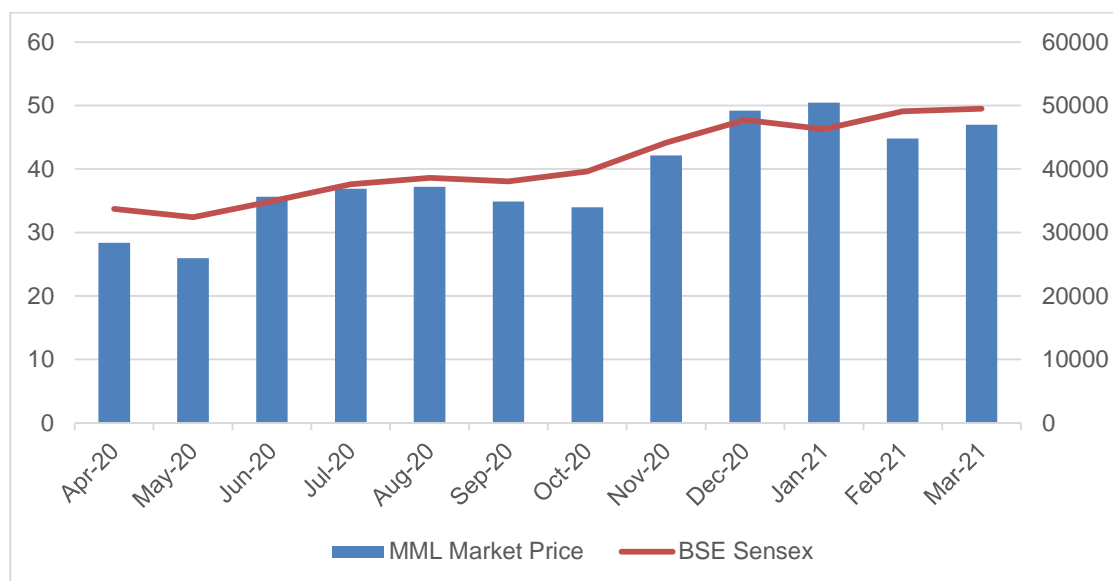
- f) Stock Code/ Symbol:
Stock Code: 506261 (BSE Ltd)
ISIN No : INE737D01021
- g) Corporate Identity Number (CIN) of the Company: L51900MH1983PLC029783
- h) **The Company's financial year begins on 1st April and ends on 31st March.**

Financial (provisional)	Calendar	1 st Quarterly Result	Second Week of August 2021
		2 nd Quarterly Result	Second week of November 2021
		3 rd Quarterly Result	Second week of February 2022
		Annual Results	Last week of May 2022

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

Month	Stock Exchange, Mumbai		BSE Sensex	
	Highest (Rs.)	Lowest (Rs.)	Highest (Rs.)	Lowest (Rs.)
Apr.2020	34.35	26.70	33887.25	27500.79
May.2020	29.35	24.25	32845.48	29968.45
Jun. 2020	40.25	25.20	35706.55	32348.10
Jul. 2020	40.85	32.00	38617.03	34927.20
Aug. 2020	44.90	35.60	40010.17	36911.23
Sep. 2020	40.70	33.00	39359.51	36495.98
Oct. 2020	38.40	33.00	41048.05	38410.20
Nov. 2020	46.65	33.00	44825.37	39334.92
Dec. 2020	50.90	40.05	47896.97	44118.10
Jan.2021	58.00	47.05	50184.01	46160.46
Feb.2021	54.40	43.20	52516.76	46433.65
Mar.2021	51.20	44.10	51821.84	48236.35

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



j) Share Transfer System:

In terms of Regulation 40(1) of SEBI Listing Regulations, as amended from time to time, securities can be transferred only in dematerialized form with effect from April 1, 2019, except in case of request received for transmission or transposition of securities. Further, SEBI has fixed March 31, 2021 as the cut-off date for re-lodgement of transfer deeds and the shares that are re-lodged for transfer shall be issued only in demat mode. Members holding shares in physical form are requested to consider converting their holdings to dematerialized form.

Transfers of equity shares in electronic form are effected through the depositories with no involvement of the Company. The Directors and certain Company officials (including Chief Financial Officer and Company Secretary) are authorized by the Board severally to approve transfers, which are noted at subsequent Board Meetings.

k) Registrar &
Transfer Agent (For
physical and Demat)

FREEDOM REGISTRY LIMITED
Plot No. 101/102 MIDC, 19th Street,
Satpur, Nasik – 422 007
Tel: 95-253-2354032 Fax: 95-253-2351126
Email: support@freedomregistry.in

l) Distribution of
Shareholding

As on 31st March, 2021

Slab	No. of shareholders		No. of Equity Shares	
	Total	%	Total	%
1-100	2745	36.99	151440	0.47
101-200	1103	14.86	194946	0.60
201-500	1650	22.23	633512	1.95
501-1000	872	11.75	750838	2.31
1001-5000	790	10.65	1791426	5.52
5001-10000	112	1.51	820722	2.53
10001 & Above	149	2.01	28107116	86.62
Total:	7421	100	32450000	100

m) Shareholding
Pattern

As on 31st March, 2021

	Category	No. of shares	Equity %
(A)	Shareholding of Promoters & Promoter Group	17123124	52.77
(B)	Public Shareholding		
(1)	Institutions	-	-
	(a) Financial Institutions / Banks	30000	0.09
(2)	Non-Institutions		
	(a) Bodies Corporate	357511	1.10
	(b) Individuals: -		
	i. holding nominal share capital up to Rs. 2 lakh	6986508	21.53

	ii. holding nominal share capital excess Rs. 2 lakh	7160082	22.06
	(c) Non Residents	150847	0.47
	(d) Others (IEPF, LLP, Clearing Members, HUF)	641928	1.98
	Total Public Shareholding (B) = B(1) + B(2)	15326876	47.23
	Total (A) + (B)	32450000	100

n) Dematerialization of shares and liquidity The Equity Shares of Company are dematerialized with National Security Depository Limited and Central Depository Services (India) Limited and the total number of Shares dematerialized as on 31.03.2021 is 32425763.

o) Outstanding GDRs / Warrants or any convertible instruments Nil

p) Registered Office 33 Nariman Bhavan, 227 Nariman Point, Mumbai – 400021

Works Plot No. 85/A, B, D & E, Phase 1, Road 'E', Vapi-396195

Address for correspondence 33 Nariman Bhavan, 227 Nariman Point, Mumbai – 400021

q) Top Ten Shareholders of the Company as on 31st March, 2021:

Sr. No.	Name of Shareholders	No. Of Shares	% of the total capital
1.	Prakash Chandra Modi	4660509	14.36
2.	Vijaykumar Omprakash Modi	1144000	3.53
3.	Rajeev Goyal	524000	1.61
4.	Satish Ramesh Mody	324591	1.00
5.	Lalitadevi Modi	304000	0.94
6.	Ashish Ramesh Mody	202982	0.63
7.	Nitin Tondon	195000	0.60
8.	Maheshkumar P Mody	191540	0.59
9.	Omprakash Modi	182000	0.56
10.	Omprakash Modi HUF	39000	0.12

r) Commodity price risk or foreign exchange and hedging activities

The Company is exposed to the risk of price fluctuation of silver (raw material). The Company proactively manages this risk through hedging, inventory management. The Company's reputation for quality with robust marketing existence mitigates the impact of price risk on finished goods.

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

The Company has a robust Risk Management (BRM) framework to identify, evaluate business risks and opportunities. This framework seeks to create transparency, minimize adverse impact on the business objectives and enhance the Company's competitive advantage. The business risk framework defines the risk management approach across the enterprise at various levels including documentation and reporting. The Company's approach to addressing business risks is comprehensive and includes periodic review of such risks and a framework for mitigating controls and reporting mechanism of such risks.

s) Compliance Certificate by Auditors

The Company has obtained a Certificate from the Statutory Auditors regarding compliance of Corporate Governance as stipulated in Chapter IV of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, which is given as an annexure to Directors' Report.

t) Certification by CEO for compliance with Code of Conduct

A certificate from the Chief Executive Officer and the Chief Financial Officer on the financial statements and other matters of the Company as provided in Regulation 17(8) and Part B of Schedule II of the SEBI Listing Regulations for the financial year ended 31st March, 2021 was placed before the Board at its meeting held on 31st May 2021 and the same is also annexed to this Report.

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

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

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

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

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

Mr. G. L. Modi
Managing Director

Manish Kumar Srivastava
Jt. Managing Director

Place : Mumbai
Date : 31st May 2021

The above Corporate Governance Report has been adopted by the board of Directors at their meeting held on 31st May, 2021.

Mr. G. L. Modi
Managing Director

Manish Kumar Srivastava
Jt. Managing Director

Place : Mumbai
Date : 31st May 2021

Declaration under Regulation 26(3) read with part D of Schedule V of SEBI (listing Obligations and Disclosure Requirements) Regulations, 2015

It is hereby declared that all the Board Members and Senior Management Personnel of the Company have affirmed adherence to and compliance with the Code of Conduct for the year ended 31st March, 2021

For Modison Metals Limited

G.L. Modi
Managing Director

Auditors' Certificate on Corporate Governance

To,
The Members of
Modison Metals Limited

We have examined the compliance of conditions of Corporate Governance by Modison Metals Limited (the Company), for the year ended 31 March 2021, as per the relevant provisions of Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations) as referred to in Regulation 15(2) of Listing Regulations.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us and based on the representations made by the Directors and the Management and considering the relaxations granted by the Ministry of Corporate Affairs and Securities and Exchange Board of India warranted due to the spread of the COVID-19 pandemic, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above-mentioned SEBI Listing Regulations, as applicable.

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

For **Kanu Doshi Associates LLP**
Chartered Accountants
Firm Regn No.: 104746W/W100096

Kunal Vakharia
Partner
Membership No.:148916

Place : Mumbai
Date : 31st May 2021

Certification

We, the undersigned of the Company hereby certify that

1. We have reviewed the financial statements and the cash flow statement of Modison Metals Limited for the year 31st March 2021 and that to the best of their knowledge and belief, we state that:
 - These statements do not contain any materially untrue statement or omit any material fact or contain statements that may be misleading;
 - These statements present a true and fair view of the company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
2. That there are, to the best of our knowledge and belief, no transactions entered into by the company during the year which are fraudulent, illegal or violative of the company's code of conduct.
3. We accept responsibility for establishing and maintaining internal controls for financial reporting. We have evaluated the effectiveness of internal control systems of the company pertaining to financial reporting and have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which they are aware and the steps they have taken or propose to take to rectify these deficiencies and
4. We have indicated to the auditors and the Audit committee that there are:
 - No significant changes in internal control over financial reporting during the year;
 - The significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements, if any; and
 - No instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the company's internal control system over financial reporting.

G. L. Modi
Managing Director

Ramesh Kothari
Chief Financial Officer

Place : Mumbai
Date : 31st May 2021

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

To,
The Members,
Modison Metals Limited
33 Nariman Bhavan,
227, Nariman Point,
Mumbai- 400021

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

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal (www.mca.gov.in) as considered necessary and explanations furnished to us by the Company & its officers, We hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31st March, 2021 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority.

Sr.No	Name of Director	DIN	Date of Appointment	Date of Cessation
1	Girdharilal Modi	00027373	09/07/2015	NA
2	Sureshchandra Purushottamdas Mody	00027432	01/01/1997	Ceased to be Director w.e.f 9th September, 2020
3	Rajkumar Mohanlal Modi	00027449	09/06/1998	NA
4	Kumar Jay Modi	00059396	01/04/2012	NA
5	Ramavtar NATHmal Goenka	00140376	28/04/2008	NA
6	Rita Dilip Bhatia	06973893	27/10/2014	NA
7	Ashok Shantilal Jatia	07209136	02/11/2015	NA
8	Rakesh Shyamvir Singh	07319353	02/11/2015	NA
9.	Manish Srivastava	08796273	20/07/2020	NA

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

Place: Mumbai
Date: 31st May 2021

For Ragini Chokshi & Co.
Company Secretaries

Makrand Patwardhan
(Partner)
CP No: 9031
ACS:

INDEPENDENT AUDITORS' REPORT

To the Members of Modison Metals Limited

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the Standalone Financial Statements of **Modison Metals Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2021, and the Statement of Profit and Loss (including Other Comprehensive Income), Statement of Changes in Equity and Statement of Cash flows for the year then ended, and notes to the Standalone Financial Statements, including a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the Standalone Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Standalone Financial Statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view, in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2021, and its net profit including other comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

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

Key Audit Matters

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

Sr No.	Key Audit Matter	Response to Key Audit Matter
1	Inventory Valuation As at March 31, 2021 the Company held Rs. 5,995.12 Lakhs of inventory representing 29.59% of total assets (out of which inventory amounting to Rs. 83.34 Lakhs is in transit). Given the size of the inventory balance relative to the total assets of the Company and the estimates and judgments described below, the valuation of inventory required significant audit attention.	Principle Audit Procedures We have performed the following procedures over the valuation of inventory:- <input type="checkbox"/> For sample inventory items, re-performed the weighted average cost calculation;

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

	<ul style="list-style-type: none"> • Perform reconciliation of derivative financials instrument with third party confirmation • Checking of minimum margin money required to keep with third party. • Booking of hedging gain / loss on daily basis <p>(For the year ended March 31, 2021 the Company has net hedging loss of Rs.358.68 Lakhs and had net hedging loss of Rs.281.93 Lakhs for the year ended March 31, 2020 Shown under exceptional item.)</p>	<p>measurement of derivative financial instruments</p> <p><input type="checkbox"/> Reconciling derivative financial instruments data to third party confirmations.</p> <p><input type="checkbox"/> Reconciling hedging gain / loss with third party confirmations</p> <p>Considering the appropriateness of disclosures in relation to derivative financial instruments.</p>
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Other Information

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

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

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

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

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

In preparing the Standalone Financial Statements, the Management and the Board of Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless

management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and

other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

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

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditors' Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of Section 143 (11) of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid Standalone Financial Statements.
 - b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid Standalone Financial Statements have been kept by the Company so far as it appears from our examination of those books.
 - c) The Balance Sheet, the Statement of Profit and Loss (including other comprehensive income), the Statement of Changes in Equity and the Cash Flow Statement dealt with by this Report are in agreement with the books of account maintained for the purpose of preparation of the Standalone Financial Statements.
 - d) In our opinion, the aforesaid Standalone Financial Statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Account) Rules, 2014.
 - e) On the basis of the written representations received from the directors as on March 31, 2021 and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2021 from being appointed as a director in terms of Section 164(2) of the Act.
 - f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
 - g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended, in our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.

- h) 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:
- i. The Company has disclosed the impact of pending litigations on its financial position in its Standalone Financial Statements (Refer Note. 29(a) to the Ind As Standalone Financial Statements).
 - ii. The Company did not have any material foreseeable losses on long-term contracts including derivatives contracts.
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the company.

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

Kunal Vakharia
Partner
Membership no. 148916

Place: Mumbai
Date: 31st May, 2021

ANNEXURE A TO THE AUDITOR'S REPORT

Referred to in paragraph 2 of '**Report on other Legal and Regulatory Requirements**' in our Report of even date on the accounts of **Modison Metals Limited** for the year ended March 31, 2021

- i. (a) The Company is maintaining proper records showing full particulars including quantitative details and situation of fixed assets.

(b) The fixed assets of the company are physically verified by the Management according to a phased programme designed to cover all the items over a period of three years, which, in our opinion, is reasonable having regard to the size of the company and the nature of its assets. Pursuant to the programme, a portion of the fixed assets has been physically verified by the management during the year and discrepancies noticed between the book records and the physical inventories were not material and have been properly dealt with in the accounts.

(c) According to information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company.
- ii. During the year, the inventories have been physically verified by the management. In our opinion, the frequency of verification is reasonable. The discrepancies noticed on physical verification of inventories as compared to the book records have been properly dealt with in the books of accounts.
- iii. As informed to us, the Company has not granted loans, secured or unsecured, to companies, firms, limited liability partnerships or other parties covered in the register maintained under Section 189 of the Act. Hence sub clauses (a) to (c) of clause 3(iii) are not applicable to the Company.
- iv. The company has complied with provisions of Section 186 of the Companies Act, 2013 in respect of investments made and Section 185 of the Companies Act, 2013 is not applicable as there were no such loans, securities or guarantees provided during the year.
- v. The Company has not accepted any deposits from the public within the meaning of Sections 73, 74, 75 and 76 of the Act and the rules framed there under to the extent notified and therefore clause 3(v) is not applicable.
- vi. The Central Government has prescribed maintenance of cost records for the company under sub Section (1) of Section 148 of the Companies Act, 2013 and such accounts and records have been made and maintained by the Company. However, no detailed examinations of such records have been carried out by us.
- vii. (a) The Company is regular in depositing with appropriate authorities undisputed statutory dues including Provident Fund, Employees' State Insurance, Income Tax, Customs Duty, Cess, Goods & Service Tax and any other material statutory dues applicable to it.

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

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

Sr. No.	Name of the Statute	Nature of the dues	Forum where the dues is pending	Rs. In Lakhs
1.	Central Excise Act, 1944	Demand of Excise Duty on Sales	Customs, Excise & Service Tax Appellate Tribunal	967.08
2.	Income tax Act, 1961	Income tax (AY 17-18)	Commissioner of Income Tax (Appeals)	8.74
		Income tax (AY 16-17)	Commissioner of Income Tax (Appeals)	12.74
		Income tax (AY 14-15)	Tribunal	1.74
		Income tax (AY 14-15)	Commissioner of Income Tax (Appeals)	36.79
		Income tax (AY 10-11)	High Court	25.11

- viii. According to the records of the Company examined by us and information and explanation given to us, the Company has not defaulted in repayment of dues to banks during the year. The company has not taken any loan or borrowing from government, financial institution, and has not issued debentures during the year.
- ix. The Company has not raised any money by way of public issue/ further offer (including debt instruments) and through term loans during the year. Accordingly, clause 3(ix) of the order is not applicable to the Company.
- x. Based upon the audit procedures performed and information and explanation given by the management, we report that no fraud by the Company and no fraud on the Company by its officers or employees has been noticed or reported during the year.
- xi. In our opinion and according to the information and explanations given to us, the managerial remuneration has been paid or provided in accordance with the requisite approvals mandated by the provisions of Section 197 read with schedule V to the Companies Act, 2013.
- xii. In our opinion and according to the information and explanations given to us, the nature of the activities of the company does not attract any special statute applicable to Nidhi Company. Accordingly, clause 3(xii) of the order is not applicable to the company.
- xiii. According to the information and explanation given to us, and based on our examination of the records of the Company, transactions with the related parties are in compliance with Sec 177 and 188 of Companies Act, 2013 where applicable and details of such transactions have been disclosed in the Standalone Financial Statements as required by the applicable accounting standards.
- xiv. In our opinion and according to the information and explanations given to us, and based on our examination of the records of the Company, the company has not made any preferential

allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, clause 3 (xiv) of the Order is not applicable to the Company.

- xv. In our opinion and according to the information and explanations given to us and based on our examination of the records of the Company, the company has not entered into any non-cash transactions with directors or persons connected with him. Accordingly, clause 3 (xv) of the Order is not applicable to the Company.
- xvi. The company is not required to be registered under Sec 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3 (xvi) of the Order is not applicable to the Company.

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

Kunal Vakharia
Partner
Membership No: 148916
UDIN:

Place: Mumbai
Date: 31st May, 2021

ANNEXURE B TO THE AUDITORS' REPORT

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

Report on the Internal Financial Controls under Clause (i) of Sub-Section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of **Modison Metals Limited** ("the Company") as of March 31, 2021 in conjunction with our audit of the Standalone Financial Statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Standalone Financial Statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A Company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Standalone Financial Statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of Standalone Financial Statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorizations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company's assets that could have a material effect on the Standalone Financial Statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March, 2021, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI.

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

Kunal Vakharia
Partner
Membership no. 148916

Place: Mumbai
Date: 31st May, 2021

(Rupees in Lakhs)

Standalone Balance Sheet As At 31st Mar, 2021

Particulars	Note No.	As at 31 March 2021	As at 31 March 2020
Assets			
(1) Non - current assets			
(a) Property, Plant and Equipment	3	6,036.00	5,574.35
(b) Capital work - in - progress	4	307.96	289.03
(c) Investment Property	5	185.99	195.51
(d) Other Intangible Assets	6	10.67	12.63
(e) Financial assets			
(i) Investments	7	173.70	171.47
(ii) Other financial assets	8	86.57	82.60
(f) Other non current tax assets (Net)	9	52.61	25.83
(g) Other non - current assets	10	602.92	1,123.26
Total Non Current Assets		7,456.42	7,474.68
(2) Current Assets			
(a) Inventories	11	5,995.12	6,056.78
(b) Financial assets			
(i) Trade receivables	12	5,996.52	4,495.88
(ii) Cash and cash equivalents	13	18.94	116.38
(iii) Bank balances other than (ii) above	14	22.33	162.51
(iv) Other financial assets	15	26.96	30.20
(c) Other current assets	16	738.71	738.39
Total Current Assets		12,798.58	11,600.14
Total Assets		20,255.00	19,074.82
Equity and Liabilities			
Equity			
(a) Equity share capital	17	324.50	324.50
(b) Other Equity	18	16,131.77	14,359.42
Total Equity		16,456.27	14,683.92
Liabilities			
(1) Non Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	19	-	2.80
(ii) Other financial liabilities	20	4.45	3.51
(b) Provisions	21	124.62	114.40
(c) Deferred tax liabilities (Net)	22	466.70	538.89
Total Non Current Liabilities		595.77	659.60
(2) Current liabilities			
(a) Financial Liabilities			
(i) Borrowings	23	1,153.09	2,541.86
(ii) Trade payables	24	596.50	472.68
(iii) Other financial liabilities	25	69.48	91.18
(b) Other current liabilities	26	1,223.44	577.78
(c) Provisions	27	19.73	45.82
(d) Current tax liabilities (Net)	28	140.72	1.98
Total Current Liabilities		3,202.96	3,731.30
Total Liabilities		3,798.73	4,390.90
Total Equity & Liabilities		20,255.00	19,074.82

Summary of significant accounting policies 2
The accompanying notes are an integral part of the financial statements.

As per our report of even date attached

For Kanu Doshi Associates LLP
Chartered Accountants
Firm's Registration Number: 104746W/W100096
For And On Behalf Of The Board

Kunal Vakharia
Partner
Membership No. 148916

G.L. Modi
Managing Director
DIN: 00027373

Manish Kumar Srivastava
Jt. Managing Director
DIN: 08796273

Place: Mumbai
Dated: 31st May 2021

Ramesh Kothari
Chief Financial Officer

Manika Arora
Company Secretary

(Rupees in Lakhs)

Standalone Statement of Profit & Loss Account For The Year Ended 31st March, 2021

Particulars	Note No.	For the period ended 31 March 2021	For the year ended 31 March 2020
Revenue from operation	30	29,211.11	21,926.26
Other income	31	152.65	291.12
Total Income		29,363.76	22,217.38
<u>Expenses:</u>			
Cost of material consumed	32	21,640.84	14,531.90
Purchases of Stock - in - Trade	33	0.48	-
Changes in inventories of Finished goods, work - in -progress and Stock - in - trade	34	(498.84)	650.10
Employee benefit expenses	35	1,663.04	1,639.72
Finance Cost	36	204.87	198.47
Depreciation & amortization expenses	37	607.84	617.94
Other Expenses	38	2,406.63	2,411.83
Total Expenses		26,024.86	20,049.96
Profit before exceptional items & tax		3,338.90	2,167.42
Exceptional Items Income/(Expense)	39	(358.68)	(281.93)
Profit before tax		2,980.22	1,885.49
Less: Tax expenses			
(1) <u>Current tax</u>			
of Current years		840.00	525.00
of Earlier years		(30.57)	(42.25)
(2) Deferred tax		(72.33)	(108.54)
Total Income Tax Expense		737.10	374.21
Profit after tax		2,243.12	1,511.28
Other Comprehensive Income			
A. (i) Items that will be reclassified to profit or loss		-	-
(ii) Income tax relating to items that will be reclassified to profit or loss		-	-
B. (i) Items that will not be reclassified to profit or loss		16.13	(2.76)
(ii) Income tax relating to items that will not be reclassified to profit or loss		(0.15)	0.40
Total Other Comprehensive Income for the year		15.98	(2.36)
Total Comprehensive Income for the year		2,259.10	1,508.92
Earning per equity share (Face Value of Rs. 1/- each)	40		
(1) Basic		6.91	4.66
(2) Diluted		6.91	4.66

Summary of significant accounting policies

2

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

As per our report of even date attached

For Kanu Doshi Associates LLP

Chartered Accountants

Firm's Registration Number: 104746W/W100096

For And On Behalf Of The Board

Kunal Vakharia

Partner

Membership No. 148916

G.L. Modi

Managing Director

DIN: 00027373

Manish Kumar Srivastava

Jt. Managing Director

DIN: 08796273

Place: Mumbai

Dated: 31st May 2021

Ramesh Kothari

Chief Financial Officer

Manika Arora

Company Secretary

Standalone Statement of Changes in Equity
(Rupees in Lakhs)

for the Year ended 31 March 2021

a. Equity

Particulars	No of Shares	Amount
Balance at at 31st March, 2019	3,24,50,000	324.50
Changes in equity share capital during the year	-	-
Balance at at 31st March, 2020	3,24,50,000	324.50
Changes in equity share capital during the year	-	-
Balance at at 31st March, 2021	3,24,50,000	324.50

b. Other Equity

Particulars	Reserve and Surplus			Other items of Other comprehensive income			Total Other Equity
	Capital Reserve	General Reserve	Retained Earning	Remeasurement of net defined benefit plans	Fair valuation of CCD	Revaluation Reserve	
Balance as at March 31, 2019	190.88	1,114.72	12,136.80	(40.97)		35.87	13,437.30
Profit for the period	-	-	1,511.28	0.75	-	-	1,512.03
Fair value adjustment of Debentures on conversion of Equity shares					(3.11)		(3.11)
Disposal of revalued assets	-	-	1.62	-		(1.62)	-
Remeasurements of Defined Benefit Plan	-	-	-	-		-	-
Final Dividend paid	-	-	(162.25)	-		-	(162.25)
Interim Dividend paid	-	-	(324.50)	-		-	(324.50)
Dividend Distribution tax paid	-	-	(100.05)	-		-	(100.05)
Balance as at March 31, 2020	190.88	1,114.72	13,062.90	(40.22)	(3.11)	34.25	14,359.42
Profit for the period	-	-	2,243.12	13.90			2,257.02
Fair value adjustment of Debentures on conversion of Equity shares			-		2.08		2.08
Disposal of revalued assets	-	-	-	-		-	-
Remeasurements of Defined Benefit Plan	-	-	-	-		-	-
Final Dividend paid	-	-	-	-		-	-
Interim Dividend paid	-	-	(486.75)	-		-	(486.75)
Dividend Distribution tax paid	-	-	-	-		-	-
Balance as at March 31, 2021	190.88	1,114.72	14,819.27	(26.32)	(1.03)	34.25	16,131.77

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

As per our report of even date attached

For Kanu Doshi Associates LLP
Chartered Accountants
Firm's Registration Number: 104746W/W100096
For And On Behalf Of The Board
Kunal Vakharia
Partner
Membership No. 148916
G.L. Modi
Managing Director
DIN: 00027373
Manish Kumar Srivastava
Jt. Managing Director
DIN: 08796273
Place: Mumbai
Dated: 31st May 2021
Ramesh Kothari
Chief Financial Officer
Manika Arora
Company Secretary

Standalone Cash Flow Statement For The Year Ended 31st March 2021
(Rupees in Lakhs)

	March 2021	March 2020
A) Cash Flow From Operating Activities		
Net Profit before tax & Extraordinary Items	2,980.22	1,885.49
Adjustment for:		
Depreciation /Amortisation	607.84	617.94
Interest Income	(26.48)	(20.67)
Dividend received	(0.85)	
Reclassification of remeasurement of employee benefits	13.90	0.75
Revaluation of CCD	2.23	
Interest Expenses	188.82	180.00
Allowance for Bad Debts	62.84	26.75
Allowance for Doubtful Advances	150.00	-
(Profit)/Loss on Sale of Assets/Discarded Assets (Net)	(11.70)	(5.00)
Sundry balance written back (Net)	(0.66)	(7.20)
Exchange Rate Fluctuation (Net)	23.48	61.09
	<u>1,009.42</u>	<u>853.66</u>
Operating Profit Before Working Capital Changes	3,989.64	2,739.15
Adjustments For Working Capital Changes :		
Other non - current assets	5.07	(1.72)
Inventories	61.66	416.40
Trade Receivable	(1,586.30)	(353.13)
Other Non Current financial assets	(3.97)	-
Other financial assets	3.38	5.36
Other current assets	(150.32)	(188.86)
Other non current financial liabilities	0.94	3.51
Trade payables	123.82	29.54
Other current financial liabilities	6.77	37.35
Other current liabilities	645.66	(128.80)
Provisions	(15.87)	(2.09)
	<u>(909.16)</u>	<u>(182.44)</u>
Cash Generated from Operations	3,080.48	2,556.71
Direct Taxes paid	(697.47)	(630.59)
Net Cash From Operating Activities	<u>2,383.01</u>	<u>1,926.12</u>
B) Cash Flow From Investing Activities		
Purchase of Property Plant and Equipment including Capital Work in Progress	(570.69)	(1,439.34)
Purchase of Investment	(2.23)	(174.98)
Investment in Bank Deposit	140.18	52.12
Sale of Property Plant and Equipment	20.72	35.72
Dividend Received	0.85	
Interest Received	26.35	17.05
	<u>(384.82)</u>	<u>(1,509.43)</u>
Net Cash Used In Investing Activity	<u>(384.82)</u>	<u>(1,509.43)</u>
C) Cash Flow From Financing Activities		
Net (Decrease)/ Increase in Borrowings	(1,426.23)	455.88
Interest Paid	(182.65)	(180.22)
Dividend Paid (Inclusive of Dividend Distribution Tax)	(486.75)	(585.11)
	<u>(2,095.63)</u>	<u>(309.45)</u>
Net Cash Used In Financing Activity	<u>(2,095.63)</u>	<u>(309.45)</u>
Net Changes In Cash & Cash Equivalents(A+B+C)	<u>(97.44)</u>	<u>107.24</u>
Opening Balance Of Cash & Cash Equivalents	116.38	9.14
Closing Balance Of Cash & Cash Equivalents	18.94	116.38
	<u>(97.44)</u>	<u>107.24</u>

Notes
Closing Balance of Cash & Cash Equivalents

1	Cash and Cash Equivalents Includes:		
	Cash In Hand	1.93	2.77
	Balance With Scheduled Banks		
	- In Current Account	17.01	113.61
		<u>18.94</u>	<u>116.38</u>

2 Interest received excludes interest received for overdue payments from customers of Rs.19.42 Lakhs (Previous Year Rs.3.37 Lakhs), which has been considered from operational activities of the company.

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

As per our report attached of even date

For Kanu Doshi Associates LLP

Chartered Accountants

Firm's Registration Number: 104746W/W100096

For And On Behalf Of The Board

Kunal Vakharia
Partner
Membership No. 148916

G.L. Modi
Managing Director
DIN: 00027373

Manish Kumar Srivastava
Jt. Managing Director
DIN: 08796273

Place: Mumbai
Dated: 31st May 2021

Ramesh Kothari
Chief Financial Officer

Manika Arora
Company Secretary

Notes to the Standalone Financial Statements

for the year ended March 31, 2021

1 Corporate Information

Modison Metals Limited (herein referred to as "MML" or "the company") is public limited company incorporated and domiciled in India. The address of its registered office is 33, Nariman Bhavan, 227, Nariman Point, Mumbai-400021, Maharashtra, India. The Company is a leading manufacturer of Electrical contacts in all the three segments, LV, MV & HV. The equity shares of the Company are listed on BSE Limited ("BSE"). The equity shares of the Company are also listed on NSE Limited ("NSE") from 3rd May 2021 onwards. The financial statements are presented in Indian Rupee (₹).

2 Significant Accounting Policies

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

(A) Basis Of Preparation Of Financial Statement

i) Compliance with Ind AS

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

The financial statements were authorized for issue by the Company's Board of Directors on 31st May 2021.

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

ii) Historical cost convention

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

- (a) Certain financial assets and liabilities (Including Derivative Instruments) that are measured at fair value;
- (b) Defined benefit plans where plan assets are measured at fair value.

iii) Current and Non Current Classification.

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

(B) Use of estimates and judgements

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

(C) Financial Instruments

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

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

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

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

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

- (a) For assets measured at fair value, gains and losses will either be recorded in profit or loss or other comprehensive income.
- (b) For investments in debt instruments, this will depend on the business model in which the investment is held.
- (c) For investments in equity instruments, this will depend on whether the Company has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income.

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

(ii) Measurement

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

(a) Debt instruments

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

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

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

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

(b) Equity instruments

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

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

(c) Fair Value Hedge

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

(iii) Impairment of financial assets

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

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

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

(iv) Derecognition of financial assets

A financial asset is derecognised only when -

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

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

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

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

(II) Financial Liabilities

(i) Measurement

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

(ii) Derecognition

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

(D) Financial guarantee contracts

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

(E) Segment Report

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

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

(F) Inventories Valuation

(i) Consumable tools, raw material, packing material, work in progress, finished goods and stores & spares have been valued at lower of cost and net realisable value.

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

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

(iv) Silver booked by customers for their process work has been valued at the rates at which the same is booked by them. Scrap is valued at Net Realizable Value.

(G) Cash and cash equivalents

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

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

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

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

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

(i) Current income tax

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

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

(ii) Deferred tax

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

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

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

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

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

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

(iii) Dividend distribution tax

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

(I) Property, plant and equipment

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(J) Investment Property

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

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

(K) Intangible assets

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

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

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

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

(L) Leases

(i) As a lessee

AS 116 - Lease Accounting

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

On transition, the Company has applied following practical expedients:

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

(ii) As a lessor

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

(M) Revenue Recognition

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

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

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

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

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

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

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

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

(2) Other Income

(i) Interest Income

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

(ii) Dividends

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

(iii) Export Benefits

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

(N) Employee Benefit

(i) Short-term obligations

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

(ii) Other long-term employee benefit obligations

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

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

(iii) Post-employment obligations

The group operates the following post-employment schemes:

(a) Defined benefit gratuity & Leave plan:

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

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

(b) Defined benefit provident fund plan:

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

(O) Foreign currency translation

(i) Functional and presentation currency

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

(ii) Transactions and balances

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

(P) Borrowing Cost

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

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

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

Basic earnings per share is calculated by dividing:

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

ii) Diluted earnings per share

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

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

(R) Impairment of Assets

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

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

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

(ii) Contingent liabilities:

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

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

(T) Investments

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

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

(U) Trade receivables

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

(V) Trade and other payables

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

(W) Operating Cycle

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

(X) Rounding of amounts

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

(Rupees in Lakhs)

Note No. 3
Property, Plant And Equipment

Particulars	Gross Carrying Amount				Depreciation/Impairment Losses				Net Carrying Amount
	As At 01.04.2020	Purchase During the Year	Deduction During the Year	As At 31.03.2021	Up to 01.04.2020	Dep. For the Year	Deduction During the Year	As At 31.03.2021	As At 31.03.2021
Leasehold Land	94.46	-	-	94.46	-	-	-	-	94.46
Freehold Land	-	645.31	-	645.31	-	-	-	-	645.31
Buildings	1,085.24	-	-	1,085.24	210.18	52.38	-	262.56	822.68
Buildings (SF6, Plot No. 85 B and Plot No. 85 D&E)	494.67	-	-	494.67	87.96	23.01	-	110.97	383.70
Plant & Machinery	3,150.89	270.24	11.15	3,409.98	1,221.30	278.07	5.46	1,493.91	1,916.07
Plant & Machinery (SF6)	2,708.23	110.02	6.46	2,811.79	634.34	176.70	3.36	807.68	2,004.11
Furniture & Fixtures	48.76	19.19	-	67.95	22.29	6.95	-	29.24	38.71
Vehicles	279.53	-	0.21	279.32	141.06	42.28	-	183.34	95.98
Office Equipments	75.98	19.28	0.02	95.24	46.28	13.99	0.01	60.26	34.98
Total Property, Plant and Equipment	7,937.76	1,064.04	17.84	8,983.97	2,363.41	593.37	8.83	2,947.96	6,036.00

Note No. 3
Property, Plant And Equipment

Particulars	Gross Carrying Amount				Depreciation/Impairment Losses				Net Carrying Amount
	As At 01.04.2019	Purchase During the Year	Deduction During the Year	As At 31.03.2020	Up to 01.04.2019	Dep. For the Year	Deduction During the Year	As At 31.03.2020	As At 31.03.2020
Leasehold Land	94.46	-	-	94.46	-	-	-	-	94.46
Buildings	1,006.18	79.06	-	1,085.24	160.23	49.95	-	210.18	875.06
Buildings (SF6, Plot No. 85 B and Plot No. 85 D&E)	494.67	-	-	494.67	64.90	23.06	-	87.96	406.71
Plant & Machinery	2,967.59	228.05	44.75	3,150.89	955.89	289.23	23.82	1,221.30	1,929.59
Plant & Machinery (SF6)	2,508.22	223.52	23.51	2,708.23	479.40	169.78	14.84	634.34	2,073.89
Furniture & Fixtures	34.99	13.77	-	48.76	17.72	4.57	-	22.29	26.47
Vehicles	252.30	36.04	8.81	279.53	94.66	54.09	7.69	141.06	138.47
Office Equipments	55.63	20.35	-	75.98	34.01	12.27	-	46.28	29.70
Total Property, Plant and Equipment	7,414.04	600.79	77.07	7,937.76	1,806.81	602.95	46.35	2,363.41	5,574.35

(Rupees in Lakhs)

Note No. 4
Capital Work-In-Progress

Particulars	As At 01.04.2020	Addition During the Year	Deduction During the Year	As At 31.03.2021
Capital Work- in- Progress (Refer Note No 4.1)	289.03	18.93	-	307.96
Previous Year	91.16	197.87	-	289.03

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

Note No. 5
Investment Property

Particulars	Gross Carrying Amount				Depreciation/Impairment Losses				Net Carrying Amount
	As At 01.04.2020	Purchase During the Year	Deduction During the Year	As At 31.03.2021	Up To 01.04.2020	Dep. For the Year	Deduction During the Year	As At 31.03.2021	As At 31.03.2021
Residential Flats	227.10	-	-	227.10	31.59	9.52	-	41.11	185.99
Total Investment Property	227.10	-	-	227.10	31.59	9.52	-	41.11	185.99

Investment Property

Particulars	Gross Carrying Amount				Depreciation/Impairment Losses				Net Carrying Amount
	As At 01.04.2019	Purchase During the Year	Deduction During the Year	As At 31.03.2020	Up To 01.04.2019	Dep. For the Year	Deduction During the Year	As At 31.03.2020	As At 31.03.2020
Residential Flats	227.10	-	-	227.10	21.58	10.01	-	31.59	195.51
Total Investment Property	227.10	-	-	227.10	21.58	10.01	-	31.59	195.51

Amount recognised in profit or loss for Investment Properties

Particulars	March 31 st , 2021	March 31 st , 2020
Rental Income	15.09	13.65
Direct expenses related to property	4.43	7.65
There are no restrictions on the realisability of investment property.		
The company is using same life for the same class of asset as applicable for property plant and equipment.		
<u>Fair Value</u>		
The Company has not taken third party independent valuation for the property.		
The estimated fair value is Approx. Rs. 422.44 Lakhs based on the ready reckoner rates.		

Note No. 6

(Rupees in Lakhs)

Other Intangible Assets

Particulars	Gross Carrying Amount				Depreciation/Impairment Losses				Net Carrying Amount
	As At 01.04.2020	Purchase During the Year	Deduction During the Year	As At 31.03.2021	Up To 01.04.2020	Dep. For the Year	Deduction During the Year	As At 31.03.2021	As At 31.03.2021
Computer Software/Website	47.68	2.98	-	50.66	35.05	4.94	-	39.99	10.67
Total Other Intangible Assets	47.68	2.98	-	50.66	35.05	4.94	-	39.99	10.67

Other Intangible Assets

Particulars	Gross Carrying Amount				Depreciation/Impairment Losses				Net Carrying Amount
	As At 01.04.2019	Purchase During the Year	Deduction During the Year	As At 31.03.2020	Up To 01.04.2019	Dep. For the Year	Deduction During the Year	As At 31.03.2020	As At 31.03.2020
Computer Software/Website	46.70	0.98	-	47.68	30.07	4.98	-	35.05	12.63
Total Other Intangible Assets	46.70	0.98	-	47.68	30.07	4.98	-	35.05	12.63

Note No. 7
Intangible Assets Under Development

Particulars	As At 01.04.2020	Addition During the Year	Deduction During the Year	As At 31.03.2021
Intangible assets under development	-	2.98	2.98	-
Previous Year	7.71	-	7.71	-

Notes:

- (a) The Company has elected to measure all its property, plant and equipment at the previous GAAP carrying amount i.e. April 1, 2016 as its deemed cost (Gross Block Value) on the date of transition to Ind AS i.e. April 1, 2016.
- (b) The Company has availed the deemed cost exemption in relation to the property, plant and equipment, capital work-in-progress and intangibles on the date of transition and hence the net carrying amount has been considered as the gross block carrying amount on that date.

(Rupees in Lakhs)

7 Non Current Investments

Particulars	As at March 31, 2021	As at March 31, 2020
<u>Unquoted</u>		
In Equity Instruments		
Investment in wholly owned Subsidiary Company (At cost)		
Modison Contact Pvt. Ltd		
Quantity: 8,000 @ Rs.100 each		
(as at 31st March 2020: 8,000 @ Rs.100 each)	24.98	24.98
In Debenture		
Windstream Energy (Ccd'S) Investment Account (AT FVOCI) (Refer Note 7.1)	148.72	146.49
Quantity: 30,000 (as at 31st March 2020: 30,000)		
	173.70	171.47
Total of Long Term Investments	173.70	171.47
Less : Provision for Diminution in the value of Investment	-	-
Net Value of Investment	173.70	171.47

Note 7.1:

Date of Issuance: 24th July 2019

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

Interest shall be payable @ 0.01% p.a

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

8 Other Non Current Financial Assets

Particulars	As at March 31, 2021	As at March 31, 2020
(Unsecured, Considered Good, unless specified otherwise)		
Deposits	86.57	82.60
	86.57	82.60

9 Other Non Current Tax Assets (Net)

Particulars	As at March 31, 2021	As at March 31, 2020
Advance Tax and Tax Deducted at Source (Net of Provision for Taxation)	52.61	25.83
	52.61	25.83

10 Other Non Current Assets

Particulars	As at March 31, 2021	As at March 31, 2020
(Unsecured, Considered Good, unless specified otherwise)		
Capital Advances	596.75	1,112.03
Advance recoverable in cash or kind or for value to be received	6.17	11.23
	602.92	1,123.26

11 Inventories

Particulars	As at March 31, 2021	As at March 31, 2020
Raw Material (Refer Note No 11.1)	669.24	1,238.50
Work-in-progress (Refer Note No 11.2)	5,080.09	4,587.31
Finished Goods	149.46	94.29
Stores & Spares	12.83	4.81
<u>Others</u>		
Packing Material	7.32	6.58
Scrap	76.18	125.29
	5,995.12	6,056.78

Note No 11.1: Raw Material includes Stock -in transit Rs. 83.34 Lakhs (31st March 2020 Rs. 634.57 Lakhs)

Note No 11.2: As per the policy of inventory valuation of the company, the Silver booked by the customer has been valued at the rate at which the same is booked by customers which is not in consonance with IND AS 2, on "Inventories". However the impact on the profit is not material.

(Rupees in Lakhs)

12 Trade Receivables

Particulars	As at March 31, 2021	As at March 31, 2020
(Unsecured, unless specified otherwise)		
Considered good	5,996.52	4,495.88
Considered Doubtful	109.76	46.93
Less : Allowance for Expected Credit Loss (Refer Note No 12.1)	(109.76)	(46.93)
	5,996.52	4,495.88

Note No 12.1: Movement in the allowance of doubtful receivables

Particulars	As at March 31, 2021	As at March 31, 2020
Balance at the beginning of the year	46.93	20.18
Add/ (Less): Amounts written off during the year (net)	62.83	26.75
Balance at end of the year	109.76	46.93

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

13 Cash & Cash Equivalents

Particulars	As at March 31, 2021	As at March 31, 2020
<u>Balance With Banks</u>		
- In Current Account	17.01	113.61
Cash on Hand	1.93	2.77
	18.94	116.38

14 Bank Balances

Particulars	As at March 31, 2021	As at March 31, 2020
Unpaid Dividend Account (Refer Note No 14.1)	5.82	5.82
Margin Money Account (Refer Note No 14.2)	16.51	156.69
	22.33	162.51

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

Note No 14.2: Margin money deposits amounting to Rs. 16.51 Lakhs (31st March 2020 Rs. 81.69 Lakhs) are lying with bank against Bank Guarantees, & Rs. Nil (31st March 2020 Rs. 75.00 Lakhs) is lying with Reliance Commodities Limited towards margin for forward commodity contract (Hedging).

15 Other Financial Assets

Particulars	As at March 31, 2021	As at March 31, 2020
Security deposits	1.47	3.60
Advances to Staff	4.96	5.91
Interest Receivable	15.06	14.93
Other Receivable	5.47	5.77
	26.96	30.20

16 Other Current Assets

Particulars	As at March 31, 2021	As at March 31, 2020
Balance with Government Authorities	45.64	43.87
Advance to supplier	187.66	180.62
Less: Provision for Advances (B/S)	(150.00)	-
Advance recoverable in cash or kind or for value to be received	639.65	497.90
Duty Drawback Receivable	15.76	16.00
	738.71	738.39

17 Equity Share Capital

Particulars	(Rupees in Lakhs)	
	As at March 31, 2021	As at March 31, 2020
Authorized Share Capital		
10,00,00,000 Equity shares, Re. 1/- par value	1,000.00	1,000.00
(31st March 2020: 10,00,00,000 equity shares Re. 1/- each)		
	1,000.00	1,000.00
Issued, Subscribed and Fully Paid Up Shares		
3,24,50,000 Equity Shares, Re. 1/- par share	324.50	324.50
(31st March 2020: 3,24,50,000 equity shares Re. 1/- each)		
Total Issued, Subscribed and Fully Paid Up Share Capital	324.50	324.50

Note No 17.1: The reconciliation of the number of shares outstanding at the beginning and at the end of reporting period 31st March 2021 :

Particulars	March 31, 2021		March 31, 2020	
	No. of Shares	Amount in Rs	No. of Shares	Amount in Rs
Number of shares at the beginning	3,24,50,000	324.50	3,24,50,000	324.50
Add: Shares issued during the year	-	-	-	-
Less : Shares bought back	-	-	-	-
Number of shares at the end	3,24,50,000	324.50	3,24,50,000	324.50

Note No 17.2: Terms/rights attached to equity shares

(A) The company has only one class of equity shares having a par value of Re. 1 per share. Each holder of equity shares is entitled to one vote per share.

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

Note No 17.3: The details of shareholders holding more than 5% shares in the company :

Name of the shareholders	March 31, 2021		March 31, 2020	
	No. of shares held	% held as at March 31, 2021	No. of shares held	% held as at March 31, 2020
G.L. Modi HUF	75,82,130	23.37%	75,82,130	23.37%
Mr. Rajkumar Modi	67,47,305	20.79%	67,47,305	20.79%
Mr. Kumar Jay Modi	17,74,000	5.47%	17,74,000	5.47%
Mr. Prakashchandra Modi	46,60,509	14.36%	46,60,509	14.36%

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

Year	Interim Dividend paid per share	Proposed Final Dividend per share
2020-21	1.50	-
2019-20	1.00	-
2018-19	1.00	0.50

18 Other Equity

Particulars	(Rupees in Lakhs)	
	As at March 31, 2021	As at March 31, 2020
* Reserve & Surplus		
# Capital Reserve	190.88	190.88
## General Reserve	1,114.72	1,114.72
Retained Earnings	14,819.27	13,062.90
Other Comprehensive Income (OCI)		
-Remeasurement of net defined benefit plans	(26.32)	(40.22)
-Fair valuation of CCD	(1.03)	(3.11)
- Revaluation Reserve ###	34.25	34.25
	16,131.77	14,359.42

* For movement, refer statement of changes in equity.

Capital reserve mainly represents amount on capital nature account.

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

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

(Rupees in Lakhs)

19 Borrowings

Particulars	As at March 31, 2021	As at March 31, 2020
<u>Secured Loan</u>		
<u>Term Loans</u>		
<u>From Bank</u>		
Vehicle Loans (Refer Note No 19.1)	-	2.80
	<u>-</u>	<u>2.80</u>

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

Vehicle loan taken from ICICI Bank Limited carried interest @ range between 8.35% to 10.49% and is repayable in range between 36 to 37 monthly installment. The loan is secured by hypothecation of Vehicle and the last repayment is in the month of April 2021.

20 Other Financial Liabilities

Particulars	As at March 31, 2021	As at March 31, 2020
Deposits	4.45	3.51
	<u>4.45</u>	<u>3.51</u>

21 Provisions

Particulars	As at March 31, 2021	As at March 31, 2020
Provisions for Employee Benefits		
For Gratuity	124.62	114.40
	<u>124.62</u>	<u>114.40</u>

22 Deferred Tax Liabilities (Net)

Particulars	As at March 31, 2021	As at March 31, 2020
<u>Deferred tax liabilities</u>		
Difference between depreciation as per books and as per Income- tax Act, 1961	569.20	588.98
	<u>569.20</u>	<u>588.98</u>
Less: Deferred tax assets		
Expenses allowable on payment basis	36.86	37.88
Allowance for Bad & Doubtful Debts	27.63	11.81
Allowance for Doubtful Advance	37.76	-
Fair value of CCD	0.25	0.40
	<u>102.50</u>	<u>50.09</u>
Deferred tax liabilities (Net)	466.70	538.89
	<u>466.70</u>	<u>538.89</u>

Note No 22.1:

Particulars	Net balance as at 1st April, 2020	Recognised in statement of profit and loss	Recognised in OCI	Net balance as at 31st March, 2021
Deferred tax Liabilities/(Assets)				
Property, plant and equipment/Other Intangible Assets	588.98	(19.78)	-	569.20
Expenses allowable under income tax on payment basis	(37.88)	1.02	-	(36.86)
Fair value of CCD	(0.40)	-	0.15	(0.25)
Allowance for Doubtful Advance	-	(37.76)	-	(37.76)
Allowance for Expected Credit Loss	(11.81)	(15.82)	-	(27.63)
	538.89	(72.34)	0.15	466.70
Particulars	Net balance as at 1st April, 2019	Recognised in statement of profit and loss	Recognised in OCI	Net balance as at 31st March, 2020
Deferred tax Liabilities/(Assets)				
Property, plant and equipment/Other Intangible Assets	693.03	(104.05)	-	588.98
Expenses allowable under income tax on payment basis	(39.33)	1.45	-	(37.88)
Fair value of CCD	-	-	(0.40)	(0.40)

(Rupees in Lakhs)

Allowance for Expected Credit Loss	(5.88)	(5.93)	-	(11.81)
	647.82	(108.53)	(0.40)	538.89

Income tax

The major components of income tax expense for the year ended 31 March, 2021

Particulars	For the year ended 31st March, 2021	For the year ended 31st March, 2020
Current tax – including earlier years: (-) Rs. 30.98 Lakhs (31 March 2020: Rs. (-) 42.25 Lakhs)	809.43	482.75
Deferred Tax	(72.33)	(108.54)
	737.10	374.21

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

Particulars	For the year ended 31st March, 2021	For the year ended 31st March, 2020
Profit before income tax expenses	2,980.22	1,885.49
Tax at the Indian tax rate @ 25.168% (31 March 2020, 25.168 %)	750.06	474.54
Add: Item giving rise to difference in tax		
Permanent difference of income as per books vs income as per income tax	16.41	17.39
Earlier year adjustment	(30.57)	(42.25)
Changes in tax rate	-	(77.21)
Others	1.20	1.74
	737.10	374.21

23 Borrowings

Particulars	As at March 31, 2021	As at March 31, 2020
Secured Loan (Refer Note No 23.1)		
From Bank		
Working Capital Loan	153.09	2,474.35
Export Packing Credit in Foreign Currency	-	67.51
Unsecured Loan (Refer Note No 23.2)		
From Bank		
Working Capital Loan	1,000.00	-
	1,153.09	2,541.86

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

Note No 23.2: Short Term Unsecured Loan of Rs.1000.00 Lakhs taken from HDFC Bank repayable in 3 months @ 7.50% pa

24 Trade Payables

Particulars	As at March 31, 2021	As at March 31, 2020
Current		
Dues of micro and small enterprises (Refer Note No 24.1)	4.34	7.49
Dues other than micro and small enterprises (Refer Note No 24.1)	592.16	465.19
	596.50	472.68

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

25 Other Financial Liabilities

Particulars	As at March 31, 2021	As at March 31, 2020
Current maturities of long term borrowings	2.80	37.45
Interest Accrued but not due	6.39	0.21
Unpaid Dividends	5.82	5.82
Sundry Creditors For Capital Goods	21.74	46.55
Deposits	0.75	0.75
Other Payables	31.98	0.40

(Rupees in Lakhs)		
	69.48	91.18
26 Other Current Liabilities		
Particulars	As at	As at
	March 31, 2021	March 31, 2020
Advances From Customers	799.86	510.96
Statutory Dues Payable	423.04	65.96
Others	0.54	0.86
	1,223.44	577.78
27 Provisions		
Particulars	As at	As at
	March 31, 2021	March 31, 2020
Provision for Employee Benefits		
For Gratuity (Refer Note No 44)	9.33	10.44
For Leave Salary (Refer Note No 44)	10.40	35.38
	19.73	45.82
28 Current Tax Liabilities (Net)		
Particulars	As at	As at
	March 31, 2021	March 31, 2020
Provision for taxation (Net of tax payment)	140.72	1.98
	140.72	1.98
29 a) Contingent Liabilities: #		
Particulars	As at	As at
	March 31, 2021	March 31, 2020
Disputed Income Tax Liabilities	90.53	64.33
Disputed Sales Tax Liabilities	31.63	37.53
Disputed Central Excise & Service Tax Liabilities	967.09	937.41
Bond issued under Advance License/Export Promotion Capital Goods Scheme	17.98	196.50
	1,107.23	1,235.77
b) Commitments		
Particulars	As at	As at
	March 31, 2021	March 31, 2020
Estimated amounts of Contracts remaining to be executed on Capital account and not provided for (Net of Advances)	721.19	873.19
	721.19	873.19

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

(Rupees in Lakhs)

30 Revenue From Operation

Particulars	March 31, 2021	March 31, 2020
Sales of Product	29,116.84	21,773.03
Sale of Services	1.07	2.31
Other Operating Revenue		
Export incentive received	93.20	150.92
	29,211.11	21,926.26

31 Other Income

Particulars	March 31, 2021	March 31, 2020
Interest Income (Refer Note No 31.1)	45.91	24.05
Dividend Receipts	0.85	-
Rent Received	15.09	13.65
Other Non Operating Income		
Net Foreign Exchange Gain (Net)	35.74	165.61
Profit on Sale of Fixed Assets (Net)	11.70	5.00
Miscellaneous Income	43.36	82.81
	152.65	291.12

Note No. 31.1 : Break-up of Interest Income

Interest income on deposits with banks	5.51	17.63
Interest income on deposits with others	20.98	2.45
Interest income on Income tax refund	-	0.60
Interest income from customers	19.42	3.37
	45.91	24.05

32 Cost of Raw Materials Consumed

Particulars	March 31, 2021	March 31, 2020
Inventory at the beginning of the year	1,238.50	617.84
Add : Purchases of Raw Material	20,988.24	15,504.76
	22,226.74	16,122.59
Less : Sale of Raw Material	-	352.20
Less : Inventory at the end of the year	585.90	1,238.50
Consumption of Raw Material	21,640.84	14,531.90

33 Purchases of Stock in Trade

Particulars	March 31, 2021	March 31, 2020
Traded goods	0.48	-
	0.48	-

34 Changes in Inventories of Finished Goods, Work in Progress and Stock-in-Trade

Particulars	March 31, 2021	March 31, 2020
Inventories at the end of the year		
Finished Goods	149.46	94.29
Work In Progress	5,080.09	4,587.31
Scrap	76.18	125.29
	5,305.73	4,806.89
Inventories at the beginning of the year		
Finished Goods	94.29	195.53
Work In Progress	4,587.31	5,078.46
Scrap	125.29	183.00
	4,806.89	5,456.99
	(498.84)	650.10

(Rupees in Lakhs)

35 Employee Benefit Expenses

Particulars	March 31, 2021	March 31, 2020
Salaries & Wages	1,561.52	1,531.05
Contribution to Provident & Other Funds	62.04	65.06
Staff Welfare Expenses	39.48	43.61
	1,663.04	1,639.72

36 Finance Cost

Particulars	March 31, 2021	March 31, 2020
Interest Expense (Refer Not No 36.1)	188.82	180.00
Unwinding of interest on security deposits	0.21	0.15
<u>Other Borrowing Cost</u>		
Bank Finance Cost	15.84	18.32
	204.87	198.47

Note No. 36.1 : Break-up of Interest Expense

Interest expense on bank borrowings	187.04	174.91
Interest expense on vehicle loan	1.78	5.09
	188.82	180.00

37 Depreciation & Amortization Expenses

Particulars	March 31, 2021	March 31, 2020
Depreciation on Property, Plant and Equipment	593.38	602.18
Depreciation on Investment Property	9.52	10.01
Amortisation on Intangible Assets	4.94	5.75
	607.84	617.94

38 Other Expenses

Particulars	March 31, 2021	March 31, 2020
Consumption of stores and spare parts	348.18	366.32
Consumable of tools & dies	155.48	195.48
Packing Expenses	24.23	35.47
Power & fuel	496.20	479.33
Processing & Labour Charges	410.30	434.98
Rent	5.85	6.16
Repairs to Buildings	2.56	8.59
Repairs to Machinery	73.05	74.73
Repairs to Others	17.38	26.03
Security Expenses	34.59	34.30
Freight Outward Export	113.80	41.60
Insurance	29.01	18.89
Rates and taxes	9.87	9.90
Advertisement & Sales Promotion	15.25	28.30
Bank Charges	12.79	19.79
Commission on Sales	24.89	23.25
Cost Audit Fees	0.50	0.50
Electricity Expenses	4.05	2.37
Royalty	28.04	20.78
Travelling and Conveyance Expenses	10.40	58.48
Legal & Professional Charges	44.26	65.14
Telephone & Telex Expenses	5.49	6.65
Vehicle Expenses	36.85	41.24
Directors' Fees	7.00	8.05
In house R&D Expenses	5.49	16.84
CSR Expenditure	47.38	47.35
Donation	24.72	15.31
Expenses Written off	-	35.96
Allowances for doubtful debts	62.84	26.75

	(Rupees in Lakhs)	
Provision for Doubtful Advances	150.00	-
Payment to Statutory Auditor (Refer Note No 38.1)	5.15	3.95
Miscellaneous Expenses	201.03	259.32

	2,406.63	2,411.83
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Note No 38.1: Payment to Statutory Auditors
As Auditor

Audit Fees	3.45	3.00
Tax Audit Fees	-	-
Limited Review Fees	0.84	0.75
GST/Service Tax *	0.77	0.67
In other capacity		-

Company law Matters

Certification and Other Services	0.86	0.20
GST/Service Tax *	0.16	0.04
	6.08	4.66

* Out of above GST/Service Tax credit of Rs. 0.93 Lakhs (Previous Year Rs. 0.71 Lakhs) has been taken and the same has not been debited to Statement of Profit and Loss.

39 Exceptional Items

Particulars	March 31, 2021	March 31, 2020
Profit/(Loss) on Hedging Contracts	(358.68)	(281.93)
	(358.68)	(281.93)

40 Earning Per Share

Particulars	Period ended	Year ended
	March 31, 2021	March 31, 2020
Profit attributable to Equity Shareholders (Rs.)	2,243.12	1,511.28
No. of Equity Share outstanding during the year (Nos.)	3,24,50,000	3,24,50,000
Face Value of each Equity Share (Rs.)	1.00	1.00
Basic & Diluted earning per Share (Rs.)	6.91	4.66

41 Capital Management

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

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

Particulars		31 March 2021	31 March 2020
Borrowings		1,155.89	2,582.11
less- Cash and Cash equivalents		18.94	116.38
Net Debt		1,136.95	2,465.73
Total Equity		16,456.27	14,683.92
Capital and Net debt		17,593.22	17,149.65
Gearing ratio		6.46%	14.38%

(Rupees in Lakhs)

42 Financial Risk Management

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

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

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

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

(A) Credit Risk

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

(Rupees in Lakhs)

Credit Risk Management

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

The maximum exposure to credit risk as at 31 March 2021 & 31 March 2020 is the carrying value of such trade receivables as shown in note 13 of the financials.

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

	Rupees in Lakh
Loss allowance as on 31 March 2019	20.18
Change in loss allowance	26.75
Loss allowance as on 31 March 2020	46.93
Change in loss allowance	62.83
Loss allowance as on 31 March 2021	109.76

(B) Liquidity Risk

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

(C) Market risk

Foreign currency risk

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

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

Open exposure

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

Particulars	GBP	Euro	USD
31 March 2021			
Trade receivables- Foreign Currency	-	13,50,416.58	3,20,928.46
Trade receivables- INR in Lakhs	-	1,143.80	231.90
Trade payables- Foreign Currency	-	18,394.80	1,72,818.98
Trade payables- INR in Lakhs	-	15.81	126.12

(Rupees in Lakhs)

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

Sensitivity Analysis-

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

Particulars	31 March 2021	31 March 2020
	INR	INR
Euro	56.40	54.35
USD	5.29	8.41
Total	61.69	62.76

(D) Price risk

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

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

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

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

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

2. Enterprises over which Company has Control:

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

3. Key Management Personnel

- (i) Mr. G. L. Modi - Managing Director
- (ii) Mr. Rajkumar Modi - Whole-time Director
- (iii) Mr. Kumar Jay Modi -Whole-time Director
- (iv) Mr. Manish Kumar Srivastava - CEO from 20th May 2019 to 19th July 2020
- (v) Mr. Manish Kumar Srivastava - CEO & Joint Managing Director (w.e.f. 20th July 2020)
- (vi) Mr. Ramesh Kothari- Chief Financial Officer
- (viii) Ms. Deepashree Dadkar- Company Secretary (upto 15th October 2019)
- (viii) Ms. Manika Arora - Company Secretary (w.e.f 16th December 2019)

4. Relatives of Key Management Personnel

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

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

S.No.	Related parties	Nature of	2020-21	2019-20
			(Rs.)	(Rs.)
(i)	Mr. G.L. Modi	Short-term employee benefits	178.18	189.53
		Post retirement benefits	4.72	4.72
		Purchase of share of subsidiary company	-	11.84
(ii)	Mr. Rajkumar Modi	Short-term employee benefits	114.64	118.25
		Post retirement benefits	3.03	3.03
		Purchase of share of subsidiary company	-	9.97

(Rupees in Lakhs)				
(iii)	Mr. Kumar Jay Modi	Rent Paid	0.84	0.84
		Short-term employee benefits	106.08	108.20
		Post retirement benefits	2.80	2.80
		Purchase of share of subsidiary company	-	3.12
(iv)	Mr. Manish Kumar Srivastava, CEO upto 19.07.2020	Short-term employee benefits	25.03	73.76
		Post retirement benefits	0.06	0.18
	Mr. Manish Kumar Srivastava, Jt. Managing Director w.e.f. 20.07.2020	Short-term employee benefits	80.76	-
		Post retirement benefits	0.14	-
(v)	Mrs. Chandramani Devi Modi	Rent Paid	3.00	3.00
(vi)	Modicon Pvt. Ltd.	Sale of Goods	4.75	8.29
		Service Rendered	0.13	0.17
		Purchase of Goods	0.20	0.29
(vii)	Modison Copper Pvt. Ltd.	Purchase of Goods	1,954.62	2,310.88
		Sale of Goods	163.03	553.03
		Sale of Plant & Machinery	10.47	22.26
		Service Rendered	0.94	1.23
		Service Received	80.71	3.79
(viii)	Dishah Innovative Solutions Pvt. Ltd.	Sale of Goods	-	0.27
		Service Received	4.31	2.75
(ix)	Modison (Partnership Firm)	Royalty	28.04	20.78
(x)	Modison Engineering Pvt. Ltd.	Sale of Goods	-	0.47
(xi)	Mr. Omprakash Modi	Service Received	10.00	-
(xii)	Mr. Ramesh Kothari	Short-term employee benefits	20.86	23.80
		Post retirement benefits	0.21	0.22
(xiii)	Ms. Deepashree Dadkar	Short-term employee benefits	-	3.35
		Post retirement benefits	-	0.12
(xiv)	Ms. Manika Arora	Short-term employee benefits	4.22	1.18
		Post retirement benefits	0.20	0.06

(Rupees in Lakhs)				
(xv)	Ms. Anshika Rajkumar Modi	Short-term employee benefits	-	4.82
		Post retirement benefits	-	0.17

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

S.No.	Related parties	Nature of Transactions during the year	As at 31st March, 2021	As at 31st March, 2020
(i)	Mr. G.L. Modi	Short-term employee benefits payable	11.83	10.38
		Post retirement benefits payable	53.32	48.82
(ii)	Mr. Rajkumar Modi	Short-term employee benefits payable	7.32	5.98
		Post retirement benefits payable	47.68	44.87
(iii)	Mr. Kumar Jay Modi	Short-term employee benefits payable	6.75	5.50
		Post retirement benefits payable	18.18	15.59
(iv)	Mr. Manish Srivastava	Short-term employee benefits payable	17.05	0.08
(v)	Mr. Ramesh Kothari	Short-term employee benefits payable	1.41	0.16
(vi)	Ms Manika Arora	Short-term employee benefits payable	0.34	0.04
(vii)	Modison Contacts PVt. Ltd	Investment in Subsidiary	24.98	24.98
(viii)	Modison Engineering Pvt. Ltd.	Amount Receivable	-	0.49
(ix)	Modison Copper Pvt. Limited	Amount Receivable	-	0.25

44 Employee Benefits

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

(i) Defined Contribution Plan

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

Particulars	2020-21	2019-20
	Rs.	Rs.
Employer's Contribution to Providend Fund	48.54	49.26

(ii) Defined Benefit Plan
(a) Gratuity:

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

(Rupees in Lakhs)

(b) Leave encashment:

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

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

(c) Major category of plan assets

The Company has taken plans from Life Insurance Corporation of India

(d) The following tables set out the funded status of the gratuity and leave encashment plans and the amounts recognised in the Company's financial statements as at 31 March 2021 and 31 March 2020.

Sr.No.	Particulars	2020-21		2019-20	
		Leave Encashment	Gratuity	Leave Encashment	Gratuity
		Rs.	Rs.	Rs.	Rs.
I	Changes in present value of obligations				
(a)	Present value of obligations as at the beginning of year	22.77	213.20	20.96	194.85
(b)	Interest cost	1.59	15.46	1.57	14.61
(c)	Current Service Cost	2.09	15.21	1.58	12.52
(d)	Benefits Paid	(0.07)	(19.29)	-	(9.36)
(e)	Actuarial gain on obligations	(10.43)	(3.47)	(1.34)	0.58
(f)	Present value of obligations as at the end of year	15.95	221.11	22.77	213.20
II	Changes in the fair value of plan assets				
(a)	Fair value of plan assets at the beginning of year	22.39	202.77	17.30	170.75
(b)	Expected return on plan assets	1.73	15.44	1.56	15.40
(c)	Contributions	1.94	13.97	3.53	25.97
(d)	Benefits paid	(0.07)	(19.29)	-	(9.36)
(e)	Actuarial gain on Plan assets	-	-	-	-
(f)	Fair value of plan assets at the end of year	25.99	212.89	22.39	202.77
III	Change in the present value of the defined benefit obligation and fair value of plan assets				
(a)	Present value of obligations as at the end of the year	(15.95)	(221.11)	22.77	213.20

(Rupees in Lakhs)					
(b)	Fair value of plan assets as at the end of the year	25.99	212.89	22.39	202.77
(c)	Net (liability) / asset recognized in balance sheet	10.04	(8.22)	(0.38)	(10.43)

(e) Amount for the year ended 31 March, 2021 and 31 March, 2020 recognised in the statement of profit and loss under employee benefit expenses.

Sr.No.	Particulars	2020-21		2019-20	
		Leave Encashment	Gratuity	Leave Encashment	Gratuity
		Rs.	Rs.	Rs.	Rs.
I	Expenses Recognised in statement of Profit & Loss				
(a)	Current Service cost	2.09	15.21	1.58	12.52
(b)	Interest Cost	1.59	15.46	1.57	14.61
(c)	Expected return on plan assets	(1.73)	(15.44)	(1.56)	(15.40)
(d)	Net Actuarial gain recognised in the year	(10.43)	(3.47)	(1.34)	0.58
(e)	Expenses recognised in statement of Profit & Loss Account	(8.48)	11.76	0.25	12.31

(f) Amount for the year ended March 31, 2021 and March 31, 2020 recognised in the statement of other comprehensive income.

Sr.No.	Particulars	2020-21		2019-20	
		Leave Encashment	Gratuity	Leave Encashment	Gratuity
		Rs.	Rs.	Rs.	Rs.
I	Actuarial Gain/Loss recognized				
(a)	Actuarial gain for the year -Obligation	10.43	3.47	1.34	(0.58)
(b)	Actuarial gain for the year - plan assets	-	-	-	-
(c)	Total gain for the year	(10.43)	(3.47)	(1.34)	0.58
(d)	Total actuarial (gain)/ loss included in other comprehensive income	(10.43)	(3.47)	(1.34)	0.58

The company has taken a separate gratuity and leave encashment policy with Life Insurance Corporation for new joiners commencing from 01.04.2020. Hence the premium payable for Gratuity amounting to Rs 1.10 Lakhs and for Leave Encashment amounting to Rs 0.58 Lakhs has been disclosed as current obligation of the company as on 31st March 2021.

45 Derivatives

The year end foreign currency exposures that have not been hedged by a derivative instrument or otherwise are as under.

(Rupees in Lakhs)

(a) Amount Receivable in Foreign Currency on account of the following :

Particulars	Foreign Currency	As on 31.03.2021		As on 31.03.2020	
		Amount in Foreign Currency	Rs.	Amount in Foreign Currency	Rs.
Amount Receivables	EURO	13,50,416.58	1,143.80	14,56,390.74	1,194.24
	GBP	-	-	5,268.70	4.85
	USD	3,20,928.46	231.90	2,68,821.80	201.21

(b) Amount Payable in Foreign Currency on account of the following :

Particulars	Foreign Currency	As on 31.03.2021		As on 31.03.2020	
		Amount in Foreign Currency	Rs.	Amount in Foreign Currency	Rs.
Amount Payable	EURO	18,394.80	15.81	1,30,777.58	107.19
	GBP	-	-	2,290.00	2.11
	USD	1,72,818.98	126.12	44,650.33	32.97

46 Research And Development Expenditure

S.No.	Particulars	2020-21	2019-20
		(Rs.)	(Rs.)
(i)	Capital Expenditure included in Fixed Assets	11.59	7.32
(ii)	Contribution to Scientific Research Association	-	-
(iii)	Revenue Expenditure included in Employee Benefit	33.27	35.35
(iv)	Revenue Expenditure included in Other Expenses & depreciation on R&D Capital assets	24.79	35.83

47 Segment Reporting

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

S.No.	Particulars	2020-21		2019-20	
		With India	Outside India	With India	Outside India
(i)	Segment Revenue	24,125.39	5,238.37	17,634.65	4,582.73
(ii)	Segment Assets	18,865.93	1,389.07	17,617.98	1,456.84

(Rupees in Lakhs)					
(iii)	Addition Fixed Assets	1,067.03	-	601.77	-

48 Leases:

The company's major leasing arrangements are in respect of staff quarters and office premises taken on Leave and License basis. The aggregate lease rentals of Rs 5.85 Lakhs (Previous Year: Rs.6.16 Lakhs) are charged as Rent and shown under the Note No. 38 "Other Expenses". These leasing arrangements, which are cancelable, range between eleven months and three years generally or longer and are usually renewable by mutual consent at mutually agreed terms and conditions.

The Company's major leasing arrangements are in respect of investment properties given on leave and licence basis. These leasing arrangements, which are cancellable, is for the period of 2 years and are usually renewable by mutual consent at mutually agreed terms and conditions. During the year both the flats were partly vacate. The aggregate rentals of Rs. 15.09 Lakhs (Previous Year: Rs.13.65 Lakh) collected as Licence Fees and shown under Note No. 31 "Other Income".

49 Transition to Ind As 116

Ministry of Corporate Affairs ("MCA") through Companies (Indian Accounting Standards) Amendment Rules, 2019 and Companies (Indian Accounting Standards) Second Amendment Rules, has notified Ind AS 116 Leases which replaces the existing lease standard, Ind AS 17 leases and other interpretations. Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases for both lessees and lessors. It introduces a single, on-balance sheet lease accounting model for lessees.

The Company has adopted Ind AS 116, effective annual reporting period beginning from 1 April 2019 and applied the standard to its leases, retrospectively, with the cumulative effect of initially applying the Standard, recognised on the date of initial application (1 April 2019). Accordingly, the Company has not restated comparative information, instead, the cumulative effect of initially applying this standard has been recognised as an adjustment to the opening balance of retained earnings as on 1 April 2019.

The company has identified that there were no leases which are in the nature of Right-to-use and hence no lease liability is recognised in the financial statements.

50 Fair Value Measurement

Financial instruments by category

	March 31, 2021			March 31, 2020		
	FVPL	FVOCI	Amortised cost	FVPL	FVOCI	Amortised cost
Financial assets						
Investments						
- Compulsory convertible debentures	-	148.72	-	-	146.49	-
- Equity instruments	-	-	24.98	-	-	24.98
- Trade receivables	-	-	5,996.52	-	-	4,495.88
-Cash and cash equivalents	-	-	18.94	-	-	116.38
-Bank Balances	-	-	22.33	-	-	162.51
-Other receivable	-	-	113.53	-	-	112.80
Total financial assets	-	148.72	6,176.29	-	146.49	4,912.55

						(Rupees in Lakhs)
Financial liabilities						
-Non-Current Borrowings	-	-	-	-	-	2.80
-Trade payables	-	-	596.50	-	-	472.68
-Current Borrowings	-	-	1,153.09	-	-	2,541.86
-Other payables	-	-	73.93	-	-	94.69
Total financial liabilities	-	-	1,823.52	-	-	3,112.03

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are (a) recognised and measured at fair value and (b) measured at amortised
To provide an indication about the reliability of the inputs used in determining fair value, the Company has classified its financial instruments into the three levels prescribed under the accounting

					(Rs in Lakhs)
Financial assets and liabilities measured at fair value At 31 March 2021	Level 1	Level 2	Level 3	Total	
Financial assets					
Financial Investments at FVOCI					
- Compulsory convertible debentures	-	148.72	-		148.72
Financial Investments at Amortised cost					-
- Equity instruments			24.98		24.98
- Trade receivables			5,996.52		5,996.52
-Cash and cash equivalents			18.94		18.94
-Bank Balances			22.33		22.33
-Other receivable			113.53		113.53
Total financial assets	-	148.72	6,176.29		6,325.02
Financial liabilities					
-Non-Current Borrowings			-		-
-Trade payables			596.50		596.50
-Current Borrowings			1,153.09		1,153.09
-Other payables			73.93		73.93
Total financial liabilities	-	-	1,823.52		1,823.52

					(Rs in Lakhs)
Financial assets and liabilities measured at fair value At 31 March 2020	Level 1	Level 2	Level 3	Total	
Financial assets					
Financial Investments at FVOCI					
- Compulsory convertible debentures		146.49			146.49
Financial Investments at Amortised cost					
- Equity instruments	-	-	24.98		24.98
- Trade receivables			4,495.88		4,495.88
-Cash and cash equivalents			116.38		116.38

(Rupees in Lakhs)				
-Bank Balances			162.51	162.51
-Other receivable			112.80	112.80
Total financial assets	-	146.49	4,912.55	5,059.03
Financial liabilities				-
-Non-Current Borrowings			2.80	2.80
-Trade payables			472.68	472.68
-Current Borrowings			2,541.86	2,541.86
-Other payables			94.69	94.69
Total financial liabilities	-	-	3,112.03	3,112.03

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices. This includes listed equity instruments, traded bonds and mutual funds that have quoted price. The fair value of all equity instruments (including bonds) which are traded in the stock exchanges is valued using the closing price as at the reporting period. The mutual funds are valued using the closing NAV.

Level 2: The fair value of financial instruments that are not traded in an active market (for example, traded bonds, over-the-counter derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities, contingent consideration and There are no transfers between levels 1 and 2 during the year.

Valuation technique used to determine fair value

Specific valuation techniques used to value financial instruments include:

* the use of quoted market prices or dealer quotes for similar instruments

All of the resulting fair value estimates are included in level 2 except for unlisted equity securities, contingent consideration and indemnification asset, where the fair values have been determined based on present values and the discount rates used were adjusted for counterparty or own credit risk.

Valuation processes

The carrying amounts of trade receivables, trade payables, capital creditors and cash and cash equivalents are considered to be the same as their fair values, due to their short-term nature.

For financial assets and liabilities that are measured at fair value, the carrying amounts are equal to the fair values.

51 Impact of Covid-19

The Management of the Company has assessed the impact of COVID-19 Pandemic on its financial statement/ position such as trade receivables, intangibles, inventories, trade payables and based on its best judgement and reasonable estimate, has concluded that there are no material adjustments required in the Financial Statements. However the impact assessment of Covid-19 is a continuous process, given the uncertainties associated with its duration and nature, it is not possible to estimate the future impact as at the date of approval of this financial statement. The Company continues to monitor the economic effects of the pandemic while taking steps to improve its execution efficiencies and the financial outcome

(Rupees in Lakhs)

- 52 The Indian Parliament has approved the Code on Social Security, 2020 which would impact the contributions by the company towards Provident Fund and Gratuity. The Ministry of Labour and Employment has released draft rules for the Code on Social Security, 2020 on November 13, 2020, and has invited suggestions from stakeholders which are under active consideration by the Ministry. The Company will assess the impact and its evaluation once the subject rules are notified and will give appropriate impact in its financial statements in the period in which, the Code becomes effective and the related rules to determine the financial impact are published.
- 53 Corporate Social Responsibility: As per Section 135 of the Companies Act, 2013, a company, meeting the applicability threshold, needs to spend at least 2% of its average net profit for the immediately preceding three financial years on corporate social responsibility (CSR) activities. The areas for CSR activities are eradication of hunger and malnutrition, promoting education, art and culture, healthcare, destitute care and rehabilitation, environment sustainability, disaster relief, COVID-19 relief and rural development projects. The disclosure in respect of CSR expenditure is as below:
- Gross amount required to be spent by the Company during the year = Rs. 44.63 Lakhs
 - Amount spent during the year = Rs. 47.38 Lakhs
 - Amount required to be set off for the financial year, if any= Nil
 - Amount committed towards ongoing projects = Not Applicable

CSR amount unspent during the year				
Total Amount transferred to Unspent CSR Account as per section		Amount transferred to any fund specified under Schedule VII as per		
Amount	Date of Transfer	Name of the Fund	Amount	Date of Transfer
-	-	-	-	-

- 54 The previous year figures have been regrouped/reclassified, wherever necessary to conform to the current presentation as per the schedule III of Companies Act, 2013.

For Kanu Doshi Associates LLP
Chartered Accountants
Firm's Registration Number: 104746W/W100096

For And On Behalf Of The Board

Kunal Vakharia
Partner
Membership No. 148916

G.L. Modi
Managing Director
DIN: 00027373

Manish Kumar Srivastava
Jt. Managing Director
DIN: 08796273

Place: Mumbai
Dated: 31st May 2021

Ramesh Kothari
Chief Financial Officer

Manika Arora
Company Secretary

Independent Auditor's Report

To,
The Members of **Modison Metals Limited**

Report on Audit of the Consolidated Financial Statements**Opinion**

We have audited the accompanying Consolidated Financial Statements of **Modison Metals Limited** (hereinafter referred to as "the Holding Company") and its subsidiary companies (the Holding Company and its subsidiaries together referred to as "the Group"), which comprise of the Consolidated Balance Sheet as at March 31, 2021 and the Consolidated Statement of Profit and Loss (including other comprehensive income), the Consolidated Statement of Changes in Equity and the Consolidated Cash Flow Statement for the year then ended, and notes to the Consolidated Financial Statements including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the Consolidated Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us and on the consideration of report of the other auditor on separate Financial Statements of the subsidiary Company referred to in point 1 in the paragraph on "Other Matters" below, the aforesaid Consolidated Financial Statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of their Consolidated state of affairs of the Group as at March 31, 2021, of Consolidated Profit (including other comprehensive income), Consolidated Statement of Changes in Equity and its Consolidated Cash Flows for the year then ended.

Basis of Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements Section of our report. We are independent of the Group in accordance with the Code of Ethics issued by The Institute of Chartered Accountant of India (ICAI), and we have fulfilled our other ethical responsibilities in accordance with the provisions of the Act. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

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

Sr No.	Key Audit Matter	Response to Key Audit Matter
1	Inventory Valuation	Principle Audit Procedures

	<p>As at March 31, 2021 the Group held Rs. 5,995.12 Lakhs of inventory representing 29.60% of total assets (out of which inventory amounting to Rs. 83.34 Lakhs is in transit). Given the size of the inventory balance relative to the total assets of the Group and the estimates and judgments described below, the valuation of inventory required significant audit attention.</p> <p>As disclosed in Note No. 2(F), inventories are held at the lower of cost or net realisable value determined by using the weighted average cost method except for inventories that are booked by customers for their process work which are valued at the rates at which the same is booked by them.</p> <p>Management undertake the following procedure for determining valuation of closing inventory:</p> <ul style="list-style-type: none"> • Use Inventory ageing report to check slow moving & non-moving inventory to evaluate write down, if any, required; • Perform a line-by-line analysis of remaining inventory to ensure it is stated at the lower of cost or net realizable value and a specific write down is recognized, if required. • For valuing inventory work in progress the Group follows norm based on management's estimates and judgments. 	<p>We have performed the following procedures over the valuation of inventory:-</p> <ul style="list-style-type: none"> <input type="checkbox"/> For sample inventory items, re-performed the weighted average cost calculation; <input type="checkbox"/> We tested that the ageing report used by management by verifying a sample of aged inventory with the last recorded invoice; <input type="checkbox"/> On a sample basis we tested the net realizable value of inventory of raw material lines with recent selling prices of finished goods wherein these raw materials are used; <input type="checkbox"/> Held discussions with management, to understand and corroborate the assumptions applied in estimating the inventory norms used for valuation of the inventory held as work in progress. <p>We also made enquiries with the management and considered the results of our testing above to determine whether any specific write downs were further required.</p> <p>From the procedures performed we have no matters to report.</p>
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2	<p>Derivative Hedging of Commodity Price Risk</p> <p>The Group uses derivative financial instruments to hedge commodity price risks. These instruments are typically used to hedge prices of silver which is the main raw material used by the group for production of its finished products. Due to estimates and judgments involved in entering to derivative contract, it requires significant audit attention.</p> <p>Management undertakes the following procedure for accounting of derivative contract:</p> <ul style="list-style-type: none"> • Perform reconciliation of derivative financials instrument with third party confirmation • Checking of minimum margin money required to keep with third party. • Booking of hedging gain / loss on daily basis <p>(For the year ended March 31, 2021 the Group has net hedging loss of Rs.358.68 Lakhs and had net hedging loss of Rs.281.93 Lakhs for the year ended March 31, 2020 Shown under exceptional item.)</p>	<p>Principle Audit Procedures</p> <p>We have performed the following procedures to verify the accounting of derivative financial instruments.</p> <ul style="list-style-type: none"> <input type="checkbox"/> Obtaining an understanding of the risk management policies and testing key controls for the use and the measurement of derivative financial instruments <input type="checkbox"/> Reconciling derivative financial instruments data to third party confirmations. <input type="checkbox"/> Reconciling hedging gain / loss with third party confirmations <p>Considering the appropriateness of disclosures in relation to derivative financial instruments.</p>
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Other Information

The Holding Company's Management and the Board of Directors are responsible for the other information. The other information comprises the information included in the Holding Company's Annual Report but does not include the financial statements and our Auditors' Report thereon.

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

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

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation and presentation of

these Consolidated Financial Statements in term of the requirements of the Act that give a true and fair view of the consolidated financial position, the consolidated financial performance, the consolidated changes in equity and the consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the Consolidated Financial Statements by the Directors of the Holding Company, as aforesaid.

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

The respective Board of Directors of the companies included in the Group are responsible for overseeing the financial reporting process of the each entity.

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

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

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

- Identify and assess the risks of material misstatement of the Consolidated Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has

adequate internal financial controls system in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Consolidated Financial Statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of such entities or business activities within the Group to express an opinion on the Consolidated Financial Statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entity included in the consolidated financial statements of which we are the independent auditors. For the other entity included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

We communicate with those charged with governance of the Holding Company and such other entity included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

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

Other Matters

1. We did not audit the Financial Statements of one Subsidiary Company, whose Financial Statements reflect unconsolidated total assets of Rs.27.03 lakhs as at March 31, 2021,

unconsolidated total revenue of Rs. Nil, unconsolidated net profit of Rs. 0.62 lakhs, unconsolidated Other Comprehensive Income of Rs. Nil and unconsolidated net cash outflows of Rs.0.42 lakhs for the year ended on that date, as considered in the Consolidated Financial Statements. This Financial Statements and other financial information have been audited by other auditor whose report has been furnished to us by the management, and our opinion on the Consolidated Financial Statements, in so far as it relates to the amounts and disclosures included in respect of this subsidiary, and our report in terms of sub-Sections (3) and (11) of Section 143 of the Act, in so far as it relates to aforesaid subsidiary, is based solely on the report of the such other auditor.

Our opinion on the Consolidated Financial Statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matter with respect to our reliance on the work done and the report of the other auditor.

Report on other Legal and Regulatory Requirements

As required by Section 143(3) of the Act, based on our audit and on the consideration of report of the other Auditor on separate Financial Statements of a subsidiary and unaudited Financial Statements of a subsidiary referred to in the paragraph on "Other Matters", we report, to the extent applicable, that:

- a) We have sought and obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit of the aforesaid Consolidated Financial Statements.
- b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid Consolidated Financial Statements have been kept by the Holding Company, its subsidiaries included in the group, so far as appears from our examination of those books and report of the other auditor.
- c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), and the Consolidated Cash Flow Statement and the Consolidated statement of changes in equity dealt with by this report are in agreement with the relevant books of account maintained for the purpose of preparation of the Consolidated Financial Statements.
- d) In our opinion, the aforesaid Consolidated Financial Statements comply with the Accounting Standards specified under Section 133 of the Act.
- e) On the basis of the written representations received from the directors of the Holding Company and a Subsidiary Company incorporated in India as on March 31, 2021 and taken on record by the Board of Directors of the Holding Company, we report that none of the directors of the Group is disqualified as on March 31, 2021 from being appointed as a director in terms of Section 164 (2) of the Act.
- f) With respect to the adequacy of the internal financial controls over financial reporting of the Holding Company and its subsidiary Company incorporated in India and the operating effectiveness of such controls, refer to our separate report in "Annexure A".

- g) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the report of the other auditor on the Financial Statements of one of the Step Down Subsidiary:
- i. The Group has disclosed the impact of pending litigations on its financial position in its Consolidated Financial Statements (Refer Note. 29(a) to the Ind As Consolidated Financial Statements)
 - ii. The Group did not have any material foreseeable losses on long-term contracts including derivatives contracts.
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the group.

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

Kunal Vakharia
Partner
Membership no. 148916

Place: Mumbai
Date: 31st May, 2021

ANNEXURE A TO THE AUDITORS' REPORT

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

Report on the Internal Financial Controls under Clause (i) of Sub-Section 3 of Section 143 of the Companies Act, 2013 ("the Act")

In conjunction with our audit of the Consolidated Financial Statements of Modison Metals Limited ("the Holding Company") as of and for the year ended March 31, 2021, we have audited the internal financial controls over financial reporting of the Holding Company and its subsidiary Company which is a Company incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of Holding Company and its subsidiary Company incorporated in India are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Holding Company and considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Holding Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditors' Responsibility

Our responsibility is to express an opinion on the internal financial controls over financial reporting of the Holding Company and its subsidiary Company incorporated in India, based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Consolidated Financial Statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Holding Company and its subsidiary Company incorporated in India and internal financial control system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A Company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Financial Statements for external purposes in accordance with generally accepted accounting principles. A Holding Company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of Financial Statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorisations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company's assets that could have a material effect on the Financial Statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Holding Company and its subsidiary Company incorporated in India, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2021, based on the internal control over financial reporting criteria established by the Holding Company and its subsidiary Company incorporated in India considering the essential components of internal control stated in the Guidance Note.

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

Kunal Vakharia
Partner
Membership no. 148916
Place: Mumbai
Date: 31st May, 2021

(Rupees in Lakhs)

Consolidated Balance Sheet As At 31st Mar, 2021

Particulars	Note No.	As at 31 March 2021	As at 31 March 2020
Assets			
(1) Non - current assets			
(a) Property, Plant and Equipment	3	6,036.00	5,574.35
(b) Capital work - in - progress	4	307.96	289.03
(c) Investment Property	5	185.99	195.51
(d) Other Intangible Assets	6	10.67	12.63
(e) Financial assets			
(i) Investments	7	170.16	166.71
(ii) Other financial assets	8	86.57	82.60
(f) Other non current tax assets (Net)	9	52.61	25.83
(g) Other non - current assets	10	602.92	1,123.26
Total Non Current Assets		7,452.88	7,469.92
(2) Current Assets			
(a) Inventories	11	5,995.12	6,056.78
(b) Financial assets			
(i) Trade receivables	12	5,996.52	4,495.88
(ii) Cash and cash equivalents	13	21.28	119.15
(iii) Bank balances other than (ii) above	14	22.33	162.51
(iv) Other financial assets	15	26.96	30.20
(c) Other tax assets (Net)	17	-	-
(c) Other current assets	16	738.71	738.39
Total Current Assets		12,800.92	11,602.91
Total Assets		20,253.80	19,072.83
Equity and Liabilities			
Equity			
(a) Equity share capital	17	324.50	324.50
(b) Other Equity	18	16,133.23	14,360.25
Total Equity		16,457.73	14,684.75
Liabilities			
(1) Non Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	19	-	2.80
(ii) Other financial liabilities	20	4.45	3.51
(b) Provisions	21	124.62	114.40
(c) Deferred tax liabilities (Net)	22	463.47	535.57
Total Non Current Liabilities		592.54	656.28
(2) Current liabilities			
(a) Financial Liabilities			
(i) Borrowings	23	1,153.09	2,541.86
(ii) Trade payables	24	596.72	472.87
(iii) Other financial liabilities	25	69.47	91.18
(b) Other current liabilities	26	1,223.44	577.78
(c) Provisions	27	19.96	46.05
(d) Current tax liabilities (Net)	28	140.85	2.06
Total Current Liabilities		3,203.53	3,731.80
Total Liabilities		3,796.07	4,388.08
Total Equity & Liabilities		20,253.80	19,072.83

Summary of significant accounting policies 2

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

As per our report of even date attached

For Kanu Doshi Associates LLP

Chartered Accountants

Firm's Registration Number: 104746W/W100096

For And On Behalf Of The Board

Kunal Vakharia
Partner
Membership No. 148916

G.L. Modi
Managing Director
DIN: 00027373

Manish Kumar Srivastava
Jt. Managing Director
DIN: 08796273

Place: Mumbai
Dated: 31st May 2021

Ramesh Kothari
Chief Financial Officer

Manika Arora
Company Secretary

(Rupees in Lakhs)

Consolidated Statement of Profit & Loss Account For The Year Ended 31st March, 2021

Particulars	Note No.	For the year ended 31 March 2021	For the year ended 31 March 2020
Revenue from operation	30	29,211.11	21,926.26
Other income	31	153.86	292.02
Total Income		29,364.97	22,218.28
<u>Expenses:</u>			
Cost of material consumed	32	21,640.84	14,531.90
Purchases of Stock - in - Trade	33	0.48	-
Changes in inventories of Finished goods, work - in -progress and Stock - in - trade	34	(498.84)	650.10
Employee benefit expenses	35	1,663.04	1,639.72
Finance Cost	36	204.87	198.49
Depreciation & amortization expenses	37	607.84	617.94
Other Expenses	38	2,407.01	2,412.14
Total Expenses		26,025.24	20,050.29
Profit before exceptional items & tax		3,339.73	2,167.99
Exceptional Items Income/(Expense)	39	(358.68)	(281.93)
Profit before tax		2,981.05	1,886.06
Less: Tax expenses			
(1) Current tax			
of Current years		840.13	525.08
of Earlier years		(30.58)	(42.25)
(2) Deferred tax		(72.25)	(108.48)
Total Income Tax Expense		737.30	374.35
Profit after tax		2,243.75	1,511.71
Other Comprehensive Income			
A. (i) Items that will be reclassified to profit or loss		-	-
(ii) Income tax relating to items that will be reclassified to profit or loss		-	-
B. (i) Items that will not be reclassified to profit or loss		16.13	(2.76)
(ii) Income tax relating to items that will not be reclassified to profit or loss		(0.15)	0.40
Total Other Comprehensive Income for the year		15.98	(2.36)
Total Comprehensive Income for the year		2,259.73	1,509.35
Earning per equity share (Face Value of Rs. 1/- each)	40		
(1) Basic		6.91	4.66
(2) Diluted		6.91	4.66

Summary of significant accounting policies

2

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

As per our report of even date attached

For Kanu Doshi Associates LLP

Chartered Accountants

Firm's Registration Number: 104746W/W100096

For And On Behalf Of The Board

Kunal Vakharia

Partner

Membership No. 148916

G.L. Modi

Managing Director

DIN: 00027373

Manish Kumar Srivastava

Jt. Managing Director

DIN: 08796273

Place: Mumbai

Dated: 31st May 2021

Ramesh Kothari

Chief Financial Officer

Manika Arora

Company Secretary

Consolidated Statement of Changes in Equity
for the Year ended 31 March 2021

(Rupees in Lakhs)

a. Equity

Particulars	No of Shares	Amount
Balance at at 31st March, 2019	3,24,50,000	324.50
Changes in equity share capital during the year	-	-
Balance at at 31st March, 2020	3,24,50,000	324.50
Changes in equity share capital during the year	-	-
Balance at at 31st March, 2021	3,24,50,000	324.50

b. Other Equity

Particulars	Reserve and Surplus				Other items of Other comprehensive income			Total Other Equity
	Capital Reserve	Capital Reserve on Cosolidation	General Reserve	Retained Earning	Remeasurement of net defined benefit plans	Fair valuation of CCD	Revaluation Reserve	
Balance as at March 31, 2019	190.88		1,114.72	12,136.80	(40.97)		35.87	13,437.30
Profit for the period	-		-	1,511.71	0.75	-		1,512.46
Fair value adjustment of Debentures on conversion of Equity shares						(3.11)		(3.11)
Disposal of revalued assets	-		-	1.62	-		(1.62)	-
Remeasurements of Defined Benefit Plan	-		-	-	-		-	-
Final Dividend paid	-		-	(162.25)	-		-	(162.25)
Interim Dividend paid	-		-	(324.50)	-		-	(324.50)
Dividend Distribution tax paid	-		-	(100.05)	-		-	(100.05)
Capital Reserve on Cosolidation on acquisition of subsidiary		0.39						0.39
Balance as at March 31, 2020	190.88	0.39	1,114.72	13,063.34	(40.22)	(3.11)	34.25	14,360.24
Profit for the period	-		-	2,243.75	13.90			2,257.65
Fair value adjustment of Debentures on conversion of Equity shares				-		2.08		2.08
Disposal of revalued assets	-		-	-	-		-	-
Remeasurements of Defined Benefit Plan	-		-	-	-		-	-
Final Dividend paid	-		-	-	-		-	-
Interim Dividend paid	-		-	(486.75)	-		-	(486.75)
Capital Reserve on Cosolidation on acquisition of subsidiary	-		-	-			-	-
Balance as at March 31, 2021	190.88	0.39	1,114.72	14,820.34	(26.32)	(1.03)	34.25	16,133.23

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

As per our report of even date attached

For Kanu Doshi Associates LLP

Chartered Accountants

Firm's Registration Number: 104746W/W100096

For And On Behalf Of The Board
Kunal Vakharia
Partner
Membership No. 148916
G.L. Modi
Managing Director
DIN: 00027373
Manish Kumar Srivastava
Jt. Managing Director
DIN: 08796273
Place: Mumbai
Dated: 31st May 2021
Ramesh Kothari
Chief Financial Officer
Manika Arora
Company Secretary

Consolidated Cash Flow Statement For The Year Ended 31st March 2021
(Rupees in Lakhs)

	March 2021	March 2020
A) Cash Flow From Operating Activities		
Net Profit before tax & Extraordinary Items	2,981.05	1,886.07
Adjustment for:		
Depreciation /Amortisation	607.84	617.94
Interest Income	(26.48)	(20.67)
Dividend received	(0.85)	
Reclassification of remeasurement of employee benefits	13.90	0.75
Revaluation of CCD	2.23	
Interest Expenses	188.82	180.02
Allowance for Bad Debts	62.84	26.75
Allowance for Doubtful Advances	150.00	-
(Profit)/Loss on Sale of Assets/Discarded Assets (Net)	(11.70)	(5.00)
Net gain on financial assets measured at FVTPL	(1.21)	(0.90)
Sundry balance written back (Net)	(0.66)	(7.20)
Exchange Rate Fluctuation (Net)	23.48	61.09
	<u>1,008.21</u>	<u>852.78</u>
Operating Profit Before Working Capital Changes	3,989.26	2,738.85
Adjustments For Working Capital Changes :		
Other non - current assets	5.07	(1.72)
Inventories	61.66	416.40
Trade Receivable	(1,586.30)	(353.13)
Other Non Current financial assets	(3.97)	-
Other financial assets	3.38	5.36
Other current assets	(150.32)	(188.86)
Other non current financial liabilities	0.94	3.51
Trade payables	123.84	29.73
Other current financial liabilities	6.77	37.35
Other current liabilities	645.66	(128.80)
Provisions	(15.87)	(1.86)
	<u>(909.14)</u>	<u>(182.02)</u>
Cash Generated from Operations	3,080.12	2,556.83
Direct Taxes paid	(697.53)	(633.96)
Net Cash From Operating Activities	<u>2,382.59</u>	<u>1,922.87</u>
B) Cash Flow From Investing Activities		
Purchase of Property Plant and Equipment including Capital Work in Progress	(570.69)	(1,439.34)
Purchase of Investment	(2.24)	(169.32)
Capital Reserve on acquisition of subsidiary		0.39
Investment in Bank Deposit	140.18	52.12
Sale of Property Plant and Equipment	20.72	35.72
Investment in Liquid Fund	-	
Dividend Received	0.85	
Interest Received	26.34	17.04
	<u>(384.83)</u>	<u>(1,503.39)</u>
Net Cash Used In Investing Activity	<u>(384.83)</u>	<u>(1,503.39)</u>
C) Cash Flow From Financing Activities		
Net (Decrease)/ Increase in Borrowings	(1,426.23)	455.88
Interest Paid	(182.65)	(180.24)
Dividend Paid (Inclusive of Dividend Distribution Tax)	(486.75)	(585.11)
	<u>(2,095.63)</u>	<u>(309.47)</u>
Net Cash Used In Financing Activity	<u>(2,095.63)</u>	<u>(309.47)</u>
Net Changes In Cash & Cash Equivalents(A+B+C)	<u>(97.87)</u>	<u>110.01</u>
Opening Balance Of Cash & Cash Equivalents	119.15	9.14
Closing Balance Of Cash & Cash Equivalents	21.28	119.15
	<u>(97.87)</u>	<u>110.01</u>

Notes
Closing Balance of Cash & Cash Equivalents

1 Cash and Cash Equivalents Includes:		
Cash In Hand	1.94	2.78
<u>Balance With Scheduled Banks</u>		
- In Current Account	19.34	116.37
	<u>21.28</u>	<u>119.15</u>

2 Interest received excludes interest received for overdue payments from customers of Rs.19.42 Lakhs (Previous Year Rs.3.37 Lakhs), which has been considered from operational activities of the company.

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

As per our report attached of even date

For Kanu Doshi Associates LLP

Chartered Accountants

Firm's Registration Number: 104746W/W100096

Kunal Vakharia

Partner

Membership No. 148916

For And On Behalf Of The Board

G.L. Modi

Managing Director

DIN: 00027373

Manish Kumar Srivastava

Jt. Managing Director

DIN: 08796273

Place: Mumbai

Dated: 31st May 2021

Ramesh Kothari

Chief Financial Officer

Manika Arora

Company Secretary

Notes to the Consolidated Financial Statements

for the year ended March 31, 2021

1 Corporate Information

Modison Metals Limited (herein referred to as "MML" or "the company") is public limited company incorporated and domiciled in India. The address of its registered office is 33, Nariman Bhavan, 227, Nariman Point, Mumbai-400021, Maharashtra, India. The Company is a leading manufacturer of Electrical contacts in all the three segments, LV, MV & HV. The equity shares of the Company are listed on BSE Limited ("BSE"). The equity shares of the Company are also listed on NSE Limited ("NSE") from 3rd May 2021 onwards. The financial statements are presented in Indian Rupee (₹).

2 Significant Accounting Policies

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

(A) Basis Of Preparation Of Financial Statement

i) Compliance with Ind AS

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

The financial statements were authorized for issue by the Company's Board of Directors on 31st May 2021.

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

(ii) Basis Of Consolidation

These consolidated financial statements include the financial statements of Modison Metals Limited and its subsidiary. The subsidiary considered in the consolidated financial statements as at March 31, 2021 is as mentioned below:

Name of Subsidiary	Country of Incorporation	% of shareholding	Period From
Modison Contacts Private Limited	India	100%	17th June 2019 onwards

The financial statements of the Parent Group and its subsidiary have been combined on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses after eliminating intra-Group balances / transactions and resulting unrealized profits in full. The amounts shown in respect of accumulated reserves comprises the amount of the relevant reserves as per the balance sheet of the Parent Group and its share in the post acquisition increase / decrease in the relevant reserves /accumulated deficit of its subsidiary.

The Parent Group and its Indian subsidiary maintain their records and prepare their financial statements under the Historical Cost Convention except certain financial assets and liabilities (including derivative instruments) which is measured at fair value or amortised cost, in accordance with generally accepted accounting principals in India.

Consolidated financial statements have been prepared using uniform accounting policies for like transactions and other events in similar circumstances.

iii) Historical cost convention

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

- (a) Certain financial assets and liabilities (Including Derivative Instruments) that are measured at fair value;
- (b) Defined benefit plans where plan assets are measured at fair value.

iv) Current and Non Current Classification.

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

(B) Use of estimates and judgements

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

(C) Financial Instruments

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

(I) Financial Assets

(i) Classification

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

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

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

- (a) For assets measured at fair value, gains and losses will either be recorded in profit or loss or other comprehensive income.
- (b) For investments in debt instruments, this will depend on the business model in which the investment is held.

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

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

(ii) Measurement

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

(a) Debt instruments

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

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

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

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

(b) Equity instruments

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

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

(c) Fair Value Hedge

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

(iii) Impairment of financial assets

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

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

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

(iv) Derecognition of financial assets

A financial asset is derecognised only when -

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

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

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

(II) Financial Liabilities

(i) Measurement

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

(ii) Derecognition

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

(D) Financial guarantee contracts

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

(E) Segment Report

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

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

(F) Inventories Valuation

(i) Consumable tools, raw material, packing material, work in progress, finished goods and stores & spares have been valued at lower of cost and net realisable value.

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

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

(iv) Silver booked by customers for their process work has been valued at the rates at which the same is booked by them. Scrap is valued at Net Realizable Value.

(G) Cash and cash equivalents

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

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

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

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

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

(i) Current income tax

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

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

(ii) Deferred tax

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

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

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

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

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

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

(iii) Dividend distribution tax

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

(I) Property, plant and equipment

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

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

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

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

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

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

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

Assets

Plant & Machinery AG	13.91% on WDV Basis
Plant & Machinery SF6	4.75% on SLM Basis
R&D Plant & Machinery	4.75% on SLM Basis

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

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

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

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

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

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

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

(J) Investment Property

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

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

(K) Intangible assets

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

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

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

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

(L) Leases

(i) As a lessee

AS 116 - Lease Accounting

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

On transition, the Company has applied following practical expedients:

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

(ii) As a lessor

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

(M) Revenue Recognition

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

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

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

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

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

-
- (a) The amount of revenue can be measured reliably.
 - (b) It is probable that future economic benefits associated with the transaction will flow to the Company.
 - (c) The stage of completion of the transaction at the end of the reporting period can be measured reliably.
 - (d) The cost incurred for transaction and the cost to complete the transaction can be measured reliably.

(2) Other Income

(i) Interest Income

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

(ii) Dividends

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

(iii) Export Benefits

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

(N) Employee Benefit

(i) Short-term obligations

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

(ii) Other long-term employee benefit obligations

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

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

(iii) Post-employment obligations

The group operates the following post-employment schemes:

(a) Defined benefit gratuity & Leave plan:

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

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

(b) Defined benefit provident fund plan:

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

(O) Foreign currency translation**(i) Functional and presentation currency**

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

(ii) Transactions and balances

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

(P) Borrowing Cost

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

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

(Q) Earnings per share

(i) Basic earnings per share

Basic earnings per share is calculated by dividing:

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

ii) Diluted earnings per share

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

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

(R) Impairment of Assets

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

(S) Provisions, contingent liabilities and contingent assets

(i) Provisions:

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

(ii) Contingent liabilities:

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

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

(T) Investments

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

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

(U) Trade receivables

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

(V) Trade and other payables

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

(W) Operating Cycle

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

(X) Rounding of amounts

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

(Rupees in Lakhs)

Note No. 3
Property, Plant And Equipment

Particulars	Gross Carrying Amount				Depreciation/Impairment Losses				Net Carrying Amount
	As At 01.04.2020	Purchase During the Year	Deduction During the Year	As At 31.03.2021	Up to 01.04.2020	Dep. For the Year	Deduction During the Year	As At 31.03.2021	As At 31.03.2021
Leasehold Land	94.46	-	-	94.46	-	-	-	-	94.46
Freehold Land	-	645.31	-	645.31	-	-	-	-	645.31
Buildings	1,085.24	-	-	1,085.24	210.18	52.38	-	262.56	822.68
Buildings (SF6, Plot No. 85 B and Plot No. 85 D&E)	494.67	-	-	494.67	87.96	23.01	-	110.97	383.70
Plant & Machinery	3,150.89	270.24	11.15	3,409.98	1,221.30	278.07	5.46	1,493.91	1,916.07
Plant & Machinery (SF6)	2,708.23	110.02	6.46	2,811.79	634.34	176.70	3.36	807.68	2,004.11
Furniture & Fixtures	48.76	19.19	-	67.95	22.29	6.95	-	29.24	38.71
Vehicles	279.53	-	0.21	279.32	141.06	42.28	-	183.34	95.98
Office Equipments	75.98	19.28	0.02	95.24	46.28	13.99	0.01	60.26	34.98
Total Property, Plant and Equipment	7,937.76	1,064.04	17.84	8,983.97	2,363.41	593.37	8.83	2,947.96	6,036.00

Note No. 3
Property, Plant And Equipment

Particulars	Gross Carrying Amount				Depreciation/Impairment Losses				Net Carrying Amount
	As At 01.04.2019	Purchase During the Year	Deduction During the Year	As At 31.03.2020	Up to 01.04.2019	Dep. For the Year	Deduction During the Year	As At 31.03.2020	As At 31.03.2020
Leasehold Land	94.46	-	-	94.46	-	-	-	-	94.46
Buildings	1,006.18	79.06	-	1,085.24	160.23	49.95	-	210.18	875.06
Buildings (SF6, Plot No. 85 B and Plot No. 85 D&E)	494.67	-	-	494.67	64.90	23.06	-	87.96	406.71
Plant & Machinery	2,967.59	228.05	44.75	3,150.89	955.89	289.23	23.82	1,221.30	1,929.59
Plant & Machinery (SF6)	2,508.22	223.52	23.51	2,708.23	479.40	169.78	14.84	634.34	2,073.89
Furniture & Fixtures	34.99	13.77	-	48.76	17.72	4.57	-	22.29	26.47
Vehicles	252.30	36.04	8.81	279.53	94.66	54.09	7.69	141.06	138.47
Office Equipments	55.63	20.35	-	75.98	34.01	12.27	-	46.28	29.70
Total Property, Plant and Equipment	7,414.04	600.79	77.07	7,937.76	1,806.81	602.95	46.35	2,363.41	5,574.35

(Rupees in Lakhs)

Note No. 4
Capital Work-In-Progress

Particulars	As At 01.04.2020	Addition During the Year	Deduction During the Year	As At 31.03.2021
Capital Work- in- Progress (Refer Note No 4.1)	289.03	18.93	-	307.96
Previous Year	91.16	197.87	-	289.03

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

Note No. 5
Investment Property

Particulars	Gross Carrying Amount				Depreciation/Impairment Losses				Net Carrying Amount
	As At 01.04.2020	Purchase During the Year	Deduction During the Year	As At 31.03.2021	Up To 01.04.2020	Dep. For the Year	Deduction During the Year	As At 31.03.2021	As At 31.03.2021
Residential Flats	227.10	-	-	227.10	31.59	9.52	-	41.11	185.99
Total Investment Property	227.10	-	-	227.10	31.59	9.52	-	41.11	185.99

Investment Property

Particulars	Gross Carrying Amount				Depreciation/Impairment Losses				Net Carrying Amount
	As At 01.04.2019	Purchase During the Year	Deduction During the Year	As At 31.03.2020	Up To 01.04.2019	Dep. For the Year	Deduction During the Year	As At 31.03.2020	As At 31.03.2020
Residential Flats	227.10	-	-	227.10	21.58	10.01	-	31.59	195.51
Total Investment Property	227.10	-	-	227.10	21.58	10.01	-	31.59	195.51

Amount recognised in profit or loss for Investment Properties

Particulars	March 31 st , 2021	March 31 st , 2020
Rental Income	15.09	13.65
Direct expenses related to property	4.43	7.65
There are no restrictions on the realisability of investment property.		
The company is using same life for the same class of asset as applicable for property plant and equipment.		
<u>Fair Value</u>		
The Company has not taken third party independent valuation for the property.		
The estimated fair value is Approx. Rs. 422.44 Lakhs based on the ready reckoner rates.		

(Rupees in Lakhs)

Note No. 6
Other Intangible Assets

Particulars	Gross Carrying Amount				Depreciation/Impairment Losses				Net Carrying Amount
	As At 01.04.2020	Purchase During the Year	Deduction During the Year	As At 31.03.2021	Up To 01.04.2020	Dep. For the Year	Deduction During the Year	As At 31.03.2021	As At 31.03.2021
Computer Software/Website	47.68	2.98	-	50.66	35.05	4.94	-	39.99	10.67
Total Other Intangible Assets	47.68	2.98	-	50.66	35.05	4.94	-	39.99	10.67

Other Intangible Assets

Particulars	Gross Carrying Amount				Depreciation/Impairment Losses				Net Carrying Amount
	As At 01.04.2019	Purchase During the Year	Deduction During the Year	As At 31.03.2020	Up To 01.04.2019	Dep. For the Year	Deduction During the Year	As At 31.03.2020	As At 31.03.2020
Computer Software/Website	46.70	0.98	-	47.68	30.07	4.98	-	35.05	12.63
Total Other Intangible Assets	46.70	0.98	-	47.68	30.07	4.98	-	35.05	12.63

Note No. 7
Intangible Assets Under Development

Particulars	As At 01.04.2020	Addition During the Year	Deduction During the Year	As At 31.03.2021
Intangible assets under development	-	2.98	2.98	-
Previous Year	7.71	-	7.71	-

Notes:

(a) The Company has elected to measure all its property, plant and equipment at the previous GAAP carrying amount i.e. April 1, 2016 as its deemed cost (Gross Block Value) on the date of transition to Ind AS i.e. April 1, 2016.

(b) The Company has availed the deemed cost exemption in relation to the property, plant and equipment, capital work-in-progress and intangibles on the date of transition and hence the net carrying amount has been considered as the gross block carrying amount on that date.

(Rupees in Lakhs)

7 Non Current Investments

Particulars	As at March 31, 2021	As at March 31, 2020
<u>Unquoted</u>		
In Debenture		
Windstream Energy (Ccd'S) Investment Account (AT FVOCI) (Refer Note 7.1)	148.72	146.48
Quantity: 30,000 (as at 31st March 2020: 30,000)		
In Mutual Funds (At FVTPL)		
Aditya Birla Sun Life Corporate Bond Fund Growth Regular (Face Value: Rs. 10)	10.90	10.28
Quantity as at 31st March 2021: 71,082.187 (Quantity as at 31st March 2020: 71,082.187)		
L&T Income Opportunities Fund- Growth (Face Value: Rs. 10)	10.26	9.95
Quantity as at 31st March 2021: 45,986.878 (Quantity as at 31st March 2020: 45,986.878)		
Aditya Birla Sun Life Credit Risk Fund Segregated Portfolio 1 Regular Plan G(Face Value: Rs. 10)	0.28	
Quantity as at 31st March 2021: 71,082.187 (Quantity as at 31st March 2020: 0)		
	170.16	166.71
Total of Long Term Investments	170.16	166.71
Less : Provision for Diminution in the value of Investment	-	-
Net Value of Investment	170.16	166.71

Note 7.1:

Date of Issuance: 24th July 2019

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

Interest shall be payable @ 0.01% p.a

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

8 Other Non Current Financial Assets

Particulars	As at March 31, 2021	As at March 31, 2020
(Unsecured, Considered Good, unless specified otherwise)		
Deposits	86.57	82.60
	86.57	82.60

9 Other Non Current Tax Assets (Net)

Particulars	As at March 31, 2021	As at March 31, 2020
Advance Tax and Tax Deducted at Source (Net of Provision for Taxation)	52.61	25.83
	52.61	25.83

10 Other Non Current Assets

Particulars	As at March 31, 2021	As at March 31, 2020
(Unsecured, Considered Good, unless specified otherwise)		
Capital Advances	596.75	1,112.03
Advance recoverable in cash or kind or for value to be received	6.17	11.23
	602.92	1,123.26

11 Inventories

Particulars	As at March 31, 2021	As at March 31, 2020
Raw Material (Refer Note No 11.1)	669.24	1,238.50
Work-in-progress (Refer Note No 11.2)	5,080.09	4,587.31
Finished Goods	149.46	94.29
Stores & Spares	12.83	4.81
<u>Others</u>		
Packing Material	7.32	6.58
Scrap	76.18	125.29
	5,995.12	6,056.78

(Rupees in Lakhs)

Note No 11.1: Raw Material includes Stock -in transit Rs. 83.34 Lakhs (31st March 2020 Rs. 634.57 Lakhs)

Note No 11.2: As per the policy of inventory valuation of the Group, the Silver booked by the customer has been valued at the rate at which the same is booked by customers which is not in consonance with IND AS 2, on "Inventories". However the impact on the profit is not material.

12 Trade Receivables

Particulars	As at March 31, 2021	As at March 31, 2020
(Unsecured, unless specified otherwise)		
Considered good	5,996.52	4,495.88
Considered Doubtful	109.76	46.93
Less : Allowance for Expected Credit Loss (Refer Note No 12.1)	(109.76)	(46.93)
	5,996.52	4,495.88

Note No 12.1: Movement in the allowance of doubtful receivables

Particulars	As at March 31, 2021	As at March 31, 2020
Balance at the beginning of the year	46.93	20.18
Add/ (Less): Amounts written off during the year (net)	62.83	26.75
Balance at end of the year	109.76	46.93

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

13 Cash & Cash Equivalents

Particulars	As at March 31, 2021	As at March 31, 2020
<u>Balance With Banks</u>		
- In Current Account	19.34	116.37
Cash on Hand	1.94	2.78
	21.28	119.15

14 Bank Balances

Particulars	As at March 31, 2021	As at March 31, 2020
Unpaid Dividend Account (Refer Note No 14.1)	5.82	5.82
Margin Money Account (Refer Note No 14.2)	16.51	156.69
	22.33	162.51

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

Note No 14.2: Margin money deposits amounting to Rs. 16.51 Lakhs (31st March 2020 Rs. 81.69 Lakhs) are lying with bank against Bank Guarantees, & Rs. Nil (31st March 2020 Rs. 75.00 Lakhs) is lying with Reliance Commodities Limited towards margin for forward commodity contract (Hedging).

15 Other Financial Assets

Particulars	As at March 31, 2021	As at March 31, 2020
Security deposits	1.47	3.60
Advances to Staff	4.96	5.91
Interest Receivable	15.06	14.92
Other Receivable	5.47	5.77
	26.96	30.20

(Rupees in Lakhs)

16 Other Current Assets

Particulars	As at		As at	
	March 31, 2021		March 31, 2020	
Balance with Government Authorities		45.64		43.87
Advance to supplier	187.66		180.62	
Less: Provision for Advances (B/S)	(150.00)	37.66	-	180.62
Advance recoverable in cash or kind or for value to be received		639.65		497.90
Duty Drawback Receivable		15.76		16.00
		738.71		738.39

17 Equity Share Capital

Particulars	As at		As at	
	March 31, 2021		March 31, 2020	
Authorized Share Capital				
10,00,00,000 Equity shares, Re. 1/- par value		1,000.00		1,000.00
(31st March 2020: 10,00,00,000 equity shares Re. 1/- each)				
		1,000.00		1,000.00
Issued, Subscribed and Fully Paid Up Shares				
3,24,50,000 Equity Shares, Re. 1/- par share		324.50		324.50
(31st March 2020: 3,24,50,000 equity shares Re. 1/- each)				
Total Issued, Subscribed and Fully Paid Up Share Capital		324.50		324.50

Note No 17.1: The reconciliation of the number of shares outstanding at the beginning and at the end of reporting period 31st March 2021 :

Particulars	March 31, 2021		March 31, 2020	
	No. of Shares	Amount in Rs	No. of Shares	Amount in Rs
Number of shares at the beginning	3,24,50,000	324.50	3,24,50,000	324.50
Add: Shares issued during the year	-	-	-	-
Less : Shares bought back	-	-	-	-
Number of shares at the end	3,24,50,000	324.50	3,24,50,000	324.50

Note No 17.2: Terms/rights attached to equity shares

(A) The company has only one class of equity shares having a par value of Re. 1 per share. Each holder of equity shares is entitled to one vote per share.

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

Note No 17.3: The details of shareholders holding more than 5% shares in the company :

Name of the shareholders	March 31, 2021		March 31, 2020	
	No. of shares held	% held as at March 31, 2021	No. of shares held	% held as at March 31, 2020
G.L. Modi HUF	75,82,130	23.37%	75,82,130	23.37%
Mr. Rajkumar Modi	67,47,305	20.79%	67,47,305	20.79%
Mr. Kumar Jay Modi	17,74,000	5.47%	17,74,000	5.47%
Mr. Prakashchandra Modi	46,60,509	14.36%	46,60,509	14.36%

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

(In Rupees)

Year	Interim Dividend paid per share	Proposed Final Dividend per share
2020-21	1.50	-
2019-20	1.00	-

(Rupees in Lakhs)

18 Other Equity

Particulars	As at March 31, 2021	As at March 31, 2020
* Reserve & Surplus		
# Capital Reserve	190.88	190.88
## General Reserve	1,114.72	1,114.72
Capital Reserve on Consolidation	0.39	0.39
Retained Earnings	14,820.34	13,063.34
Other Comprehensive Income (OCI)		
-Remeasurement of net defined benefit plans	(26.32)	(40.22)
-Fair valuation of CCD	(1.03)	(3.11)
- Revaluation Reserve ###	34.25	34.25
	16,133.23	14,360.25

* For movement, refer statement of changes in equity.

Capital reserve mainly represents amount on capital nature account.

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

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

19 Borrowings

Particulars	As at March 31, 2021	As at March 31, 2020
<u>Secured Loan</u>		
<u>Term Loans</u>		
From Bank		
Vehicle Loans (Refer Note No 19.1)	-	2.80
	-	2.80

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

Vehicle loan taken from ICICI Bank Limited carried interest @ range between 8.35% to 10.49% and is repayable in range between 36 to 37 monthly installment. The loan is secured by hypothecation of Vehicle and the last repayment is in the month of April 2021.

20 Other Financial Liabilities

Particulars	As at March 31, 2021	As at March 31, 2020
Deposits	4.45	3.51
	4.45	3.51

21 Provisions

Particulars	As at March 31, 2021	As at March 31, 2020
Provisions for Employee Benefits		
For Gratuity	124.62	114.40
	124.62	114.40

22 Deferred Tax Liabilities (Net)

Particulars	As at March 31, 2021	As at March 31, 2020
Deferred tax liabilities		
Difference between depreciation as per books and as per Income- tax Act, 1961	569.20	588.98
Fair Value of Investment	0.89	0.58
	570.09	589.56
Less: Deferred tax assets		
Expenses allowable on payment basis	36.86	37.88
Allowance for Bad & Doubtful Debts	27.63	11.81
Allowance for Doubtful Advance	37.76	-
Fair value of CCD	0.25	0.40
On brought forward loss of subsidiary	0.27	0.17
On Gratuity	0.06	0.06
Mat Credit Entitlement	3.80	3.67
	106.62	53.99
Deferred tax liabilities (Net)	463.47	535.57

(Rupees in Lakhs)

Note No 22.1:

Particulars	Net balance as at 1st April, 2020	Recognised in statement of profit and loss	Recognised in OCI	Net balance as at 31st March, 2021
Deferred tax Liabilities/(Assets)				
Property, plant and equipment/Other Intangible Assets	588.98	(19.78)	-	569.20
Expenses allowable under income tax on payment basis	(37.88)	1.02	-	(36.86)
Fair value of CCD and mutual funds	0.18	0.32	0.15	0.64
Allowance for Doubtful Advance	-	(37.76)	-	(37.76)
Allowance for Expected Credit Loss	(11.81)	(15.82)		(27.63)
On brought forward loss of subsidiary	(0.17)	(0.10)		(0.27)
On Gratuity	(0.06)			(0.06)
Mat Credit Entitlement	(3.67)	(0.13)		(3.80)
	535.57	(72.25)	0.15	463.47

Income tax

The major components of income tax expense for the year ended 31 March, 2021

Particulars	For the year ended 31st March, 2021	For the year ended 31st March, 2020
Current tax – including earlier years: (-) Rs. 30.58 Lakhs (31 March 2020: Rs. (-) 42.25 Lakhs)	809.55	482.83
Deferred Tax	(72.25)	(108.48)
	737.30	374.35

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

Particulars	For the year ended 31st March, 2021	For the year ended 31st March, 2020
Profit before income tax expenses	2,981.05	1,886.06
Tax at the Indian tax rate @ 25.168% (31 March 2020, 25.168 %)	750.27	474.68
Add: Item giving rise to difference in tax		
Permanent difference of income as per books vs income as per income tax	16.41	17.39
Earlier year adjustment	(30.58)	(42.25)
Changes in tax rate	-	(77.21)
Others (tax rounding off)	1.21	1.74
	737.30	374.35

23 Borrowings

Particulars	As at March 31, 2021	As at March 31, 2020
Secured Loan (Refer Note No 23.1)		
From Bank		
Working Capital Loan	153.09	2,474.35
Export Packing Credit in Foreign Currency	-	67.51
Unsecured Loan (Refer Note No 23.2)		
From Bank		
Working Capital Loan	1,000.00	-
	1,153.09	2,541.86

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

Note No 23.2: Short Term Unsecured Loan of Rs.1000.00 Lakhs taken from HDFC Bank repayable in 3 months @ 7.50% pa

(Rupees in Lakhs)

24 Trade Payables

Particulars	As at March 31, 2021	As at March 31, 2020
Current		
Dues of micro and small enterprises (Refer Note No 24.1)	4.34	7.49
Dues other than micro and small enterprises (Refer Note No 24.1)	592.38	465.38
	596.72	472.87

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

25 Other Financial Liabilities

Particulars	As at March 31, 2021	As at March 31, 2020
Current maturities of long term borrowings	2.80	37.45
Interest Accrued but not due	6.38	0.21
Unpaid Dividends	5.82	5.82
Sundry Creditors For Capital Goods	21.74	46.55
Deposits	0.75	0.75
Other Payables	31.98	0.40
	69.47	91.18

26 Other Current Liabilities

Particulars	As at March 31, 2021	As at March 31, 2020
Advances From Customers	799.86	510.96
Statutory Dues Payable	423.04	65.96
Others	0.54	0.86
	1,223.44	577.78

27 Provisions

Particulars	As at March 31, 2021	As at March 31, 2020
Provision for Employee Benefits		
For Gratuity (Refer Note No 44)	9.56	10.67
For Leave Salary (Refer Note No 44)	10.40	35.38
	19.96	46.05

28 Current Tax Liabilities (Net)

Particulars	As at March 31, 2021	As at March 31, 2020
Provision for taxation (Net of tax payment)	140.85	2.06
	140.85	2.06

29 a) Contingent Liabilities: #

Particulars	As at March 31, 2021	As at March 31, 2020
Disputed Income Tax Liabilities	90.53	64.33
Disputed Sales Tax Liabilities	31.63	37.53
Disputed Central Excise & Service Tax Liabilities	967.09	937.41
Bond issued under Advance License/Export Promotion Capital Goods Scheme	17.98	196.50
	1,107.23	1,235.77

b) Commitments

Particulars	As at March 31, 2021	As at March 31, 2020
Estimated amounts of Contracts remaining to be executed on Capital account and not provided for (Net of Advances)	721.19	873.19
	721.19	873.19

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

(Rupees in Lakhs)		
30 Revenue From Operation		
Particulars	March 31, 2021	March 31, 2020
Sales of Product	29,116.84	21,773.03
Sale of Services	1.07	2.31
<u>Other Operating Revenue</u>		
Export incentive received	93.20	150.92
	29,211.11	21,926.26
31 Other Income		
Particulars	March 31, 2021	March 31, 2020
Interest Income (Refer Note No 31.1)	45.91	24.05
Dividend Receipts	0.85	-
Rent Received	15.09	13.65
<u>Other Non Operating Income</u>		
Net Foreign Exchange Gain (Net)	35.74	165.61
Profit on Sale of Fixed Assets (Net)	11.70	5.00
Miscellaneous Income	43.36	82.81
Fair Value measurement of investment (at FVTPL)	1.21	0.90
	153.86	292.02
Note No. 31.1 : Break-up of Interest Income		
Interest income on deposits with banks	5.51	17.63
Interest income on deposits with others	20.98	2.45
Interest income on Income tax refund	-	0.60
Interest income from customers	19.42	3.37
	45.91	24.05
32 Cost of Raw Materials Consumed		
Particulars	March 31, 2021	March 31, 2020
Inventory at the beginning of the year	1,238.50	617.84
Add : Purchases of Raw Material	20,988.24	15,504.76
	22,226.74	16,122.60
Less : Sale of Raw Material	-	352.20
Less : Inventory at the end of the year	585.90	1,238.50
Consumption of Raw Material	21,640.84	14,531.90
33 Purchases of Stock in Trade		
Particulars	March 31, 2021	March 31, 2020
Traded goods	0.48	-
	0.48	-
34 Changes in Inventories of Finished Goods, Work in Progress and Stock-in-Trade		
Particulars	March 31, 2021	March 31, 2020
Inventories at the end of the year		
Finished Goods	149.46	94.29
Work In Progress	5,080.09	4,587.31
Scrap	76.18	125.29
	5,305.73	4,806.89
Inventories at the beginning of the year		
Finished Goods	94.29	195.53
Work In Progress	4,587.31	5,078.46
Scrap	125.29	183.00
	4,806.89	5,456.99
	(498.84)	650.10

(Rupees in Lakhs)

35 Employee Benefit Expenses

Particulars	March 31, 2021	March 31, 2020
Salaries & Wages	1,561.52	1,531.05
Contribution to Provident & Other Funds	62.04	65.06
Staff Welfare Expenses	39.48	43.61
	1,663.04	1,639.72

36 Finance Cost

Particulars	March 31, 2021	March 31, 2020
Interest Expense (Refer Not No 36.1)	188.82	180.02
Unwinding of interest on security deposits	0.21	0.15
<u>Other Borrowing Cost</u>		
Bank Finance Cost	15.84	18.32
	204.87	198.49

Note No. 36.1 : Break-up of Interest Expense

Interest expense on bank borrowings	187.04	171.79
Interest expense on vehicle loan	1.78	5.09
Interest on Income tax		0.02
	188.82	176.90

37 Depreciation & Amortization Expenses

Particulars	March 31, 2021	March 31, 2020
Depreciation on Property, Plant and Equipment	593.38	602.18
Depreciation on Investment Property	9.52	10.01
Amortisation on Intangible Assets	4.94	5.75
	607.84	617.94

38 Other Expenses

Particulars	March 31, 2021	March 31, 2020
Consumption of stores and spare parts	348.18	366.32
Consumable of tools & dies	155.48	195.48
Packing Expenses	24.23	35.47
Power & fuel	496.20	479.33
Processing & Labour Charges	410.30	434.98
Rent	5.85	6.16
Repairs to Buildings	2.56	8.59
Repairs to Machinery	73.05	74.73
Repairs to Others	17.38	26.03
Security Expenses	34.59	34.30
Freight Outward Export	113.80	41.60
Insurance	29.01	18.89
Rates and taxes	9.90	9.90
Advertisement & Sales Promotion	15.25	28.30
Bank Charges	12.79	19.79
Commission on Sales	24.89	23.25
Cost Audit Fees	0.50	0.50
Electricity Expenses	4.05	2.37
Royalty	28.04	20.78
Travelling and Conveyance Expenses	10.40	58.48
Legal & Professional Charges	44.27	65.14
Telephone & Telex Expenses	5.49	6.65
Vehicle Expenses	36.85	41.24
Directors' Fees	7.00	8.05
In house R&D Expenses	5.49	16.84
CSR Expenditure	47.38	47.35
Donation	24.72	15.31
Expenses Written off	-	35.96
Allowances for doubtful debts	62.84	26.75
Provision for Doubtful Advances	150.00	-

	(Rupees in Lakhs)	
Payment to Statutory Auditor (Refer Note No 38.1)	5.49	4.25
Miscellaneous Expenses	201.05	259.32
	2,407.01	2,412.14

Note No 38.1: Payment to Statutory Auditors
As Auditor

Audit Fees	3.59	3.31
Tax Audit Fees	-	-
Limited Review Fees	0.97	0.75
GST/Service Tax *	0.81	0.67
In other capacity		-

Company law Matters

Certification and Other Services	0.94	0.20
GST/Service Tax *	0.16	0.04
	6.47	4.96

* Out of above GST/Service Tax credit of Rs. 0.97 Lakhs (Previous Year Rs. 0.71 Lakhs) has been taken and the same has not been debited to Statement of Profit and Loss.

39 Exceptional Items

Particulars	March 31, 2021	March 31, 2020
Profit/(Loss) on Hedging Contracts	(358.68)	(281.93)
	(358.68)	(281.93)

40 Earning Per Share

Particulars	Period ended	Year ended
	March 31, 2021	March 31, 2020
Profit attributable to Equity Shareholders (Rs.)	2,243.75	1,511.71
No. of Equity Share outstanding during the year (Nos.)	3,24,50,000	3,24,50,000
Face Value of each Equity Share (Rs.)	1.00	1.00
Basic & Diluted earning per Share (Rs.)	6.91	4.66

41 Capital Management

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

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

Particulars		31 March 2021	31 March 2020
Borrowings		1,155.89	2,582.11
less- Cash and Cash equivalents		21.28	119.15
Net Debt		1,134.61	2,462.96
Total Equity		16,457.73	14,684.75
Capital and Net debt		17,592.34	17,147.71
Gearing ratio		6.45%	14.36%

42 Financial Risk Management

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

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

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

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

(A) Credit Risk

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

Credit Risk Management

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

The maximum exposure to credit risk as at 31 March 2021 & 31 March 2020 is the carrying value of such trade receivables as shown in note 12 of the financials.

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

	Rupees in Lakh
Loss allowance as on 31 March 2019	20.18
Change in loss allowance	26.75
Loss allowance as on 31 March 2020	46.93
Change in loss allowance	62.83
Loss allowance as on 31 March 2021	109.76

(B) Liquidity Risk

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

(C) Market risk

Foreign currency risk

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

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

Open exposure

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

Particulars	GBP	Euro	USD
31 March 2021			
Trade receivables- Foreign Currency	-	13,50,416.58	3,20,928.46
Trade receivables- INR in Lakhs	-	1,143.80	231.90
Trade payables- Foreign Currency	-	18,394.80	1,72,818.98
Trade payables- INR in Lakhs	-	15.81	126.12
31 March 2020			
Trade receivables- Foreign Currency	5,268.70	14,56,390.74	2,68,821.80
Trade receivables- INR in Lakhs	4.85	1,194.24	201.21
Trade payables- Foreign Currency	2,290.00	1,30,777.58	44,650.33
Trade payables- INR in Lakhs	2.11	107.19	32.97

Sensitivity Analysis-

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

Particulars	31 March 2021	31 March 2020
	INR	INR
Euro	56.40	54.35
USD	5.29	8.41
Total	61.69	62.76

(D) Price risk

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

(Rupees in Lakhs)

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

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

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

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

2. Key Management Personnel

- (i) Mr. G. L. Modi - Managing Director
- (ii) Mr. Rajkumar Modi - Whole-time Director
- (iii) Mr. Kumar Jay Modi - Whole-time Director
- (iv) Mr. Manish Srivastava - CEO from 20th May 2019 to 19th July 2020
- (v) Mr. Manish Srivastava - CEO & Joint Managing Director (w.e.f. 20th July 2020)
- (vi) Mr. Ramesh Kothari- Chief Financial Officer
- (viii) Ms. Deepashree Dadkar- Company Secretary (upto 15th October 2019)
- (viii) Ms. Manika Arora - Company Secretary (w.e.f 16th December 2019)

3. Relatives of Key Management Personnel

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

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

S.No.	Related parties	Nature of	2020-21	2019-20
			(Rs.)	(Rs.)
(i)	Mr. G.L. Modi	Short-term employee benefits	178.18	189.53
		Post retirement benefits	4.72	4.72
		Purchase of share of subsidiary company	-	11.84
(ii)	Mr. Rajkumar Modi	Short-term employee benefits	114.64	118.25
		Post retirement benefits	3.03	3.03
		Purchase of share of subsidiary company	-	9.97

(Rupees in Lakhs)

(iii)	Mr. Kumar Jay Modi	Rent Paid	0.84	0.84
		Short-term employee benefits	106.08	108.20
		Post retirement benefits	2.80	2.80
		Purchase of share of subsidiary company	-	3.12
(iv)	Mr. Manish Kumar Srivastava, CEO upto 19.07.2020	Short-term employee benefits	25.03	73.76
		Post retirement benefits	0.06	0.18
	Mr. Manish Kumar Srivastava, Jt. Managing Director w.e.f. 20.07.2020	Short-term employee benefits	80.76	-
		Post retirement benefits	0.14	-
(v)	Mrs. Chandramani Devi Modi	Rent Paid	3.00	3.00
(vi)	Modicon Pvt. Ltd.	Sale of Goods	4.75	8.29
		Service Rendered	0.13	0.17
		Purchase of Goods	0.20	0.29
(vii)	Modison Copper Pvt. Ltd.	Purchase of Goods	1,954.62	2,310.88
		Sale of Goods	163.03	553.03
		Sale of Plant & Machinery	10.47	22.26
		Service Rendered	0.94	1.23
		Service Received	80.71	3.79
(viii)	Dishah Innovative Solutions Pvt. Ltd.	Sale of Goods	-	0.27
		Service Received	4.31	2.75
(ix)	Modison (Partnership Firm)	Royalty	28.04	20.78
(x)	Modison Engineering Pvt. Ltd.	Sale of Goods	-	0.47
(xi)	Mr. Omprakash Modi	Service Received	10.00	-
(xii)	Mr. Ramesh Kothari	Short-term employee benefits	20.86	23.80
		Post retirement benefits	0.21	0.22
(xiii)	Ms. Deepashree Dadkar	Short-term employee benefits	-	3.35
		Post retirement benefits	-	0.12
(xiv)	Ms. Manika Arora	Short-term employee benefits	4.22	1.18
		Post retirement benefits	0.20	0.06

(Rupees in Lakhs)

(xv)	Ms. Anshika Rajkumar Modi	Short-term employee benefits	-	4.82
		Post retirement benefits	-	0.17

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

S.No.	Related parties	Nature of Transactions during the year	As at 31st March, 2021	As at 31st March, 2020
(i)	Mr. G.L. Modi	Short-term employee benefits payable	11.83	10.38
		Post retirement benefits payable	53.32	48.82
(ii)	Mr. Rajkumar Modi	Short-term employee benefits payable	7.32	5.98
		Post retirement benefits payable	47.68	44.87
(iii)	Mr. Kumar Jay Modi	Short-term employee benefits payable	6.75	5.50
		Post retirement benefits payable	18.18	15.59
(iv)	Mr. Manish Srivastava	Short-term employee benefits payable	17.05	0.08
(v)	Mr. Ramesh Kothari	Short-term employee benefits payable	1.41	0.16
(vi)	Ms Manika Arora	Short-term employee benefits payable	0.34	0.04
(vii)	Modison Engineering Pvt. Ltd.	Amount Receivable	-	0.49
(viii)	Modison Copper Pvt. Limited	Amount Receivable	-	0.25

44 Employee Benefits

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

(i) Defined Contribution Plan

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

Particulars	2020-21	2019-20
	Rs.	Rs.
Employer's Contribution to Providend Fund	48.54	49.26

(ii) Defined Benefit Plan

(a) Gratuity:

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

(b) Leave encashment:

(Rupees in Lakhs)

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

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

(c) Major category of plan assets

The Group has taken plans from Life Insurance Corporation of India

(d) The following tables set out the funded status of the gratuity and leave encashment plans and the amounts recognised in the Group's financial statements as at 31 March 2021 and 31 March 2020.

Sr.No.	Particulars	2020-21		2019-20	
		Leave Encashment	Gratuity	Leave Encashment	Gratuity
		Rs.	Rs.	Rs.	Rs.
I	Changes in present value of obligations				
(a)	Present value of obligations as at the beginning of year	22.77	213.20	20.96	194.85
(b)	Interest cost	1.59	15.46	1.57	14.61
(c)	Current Service Cost	2.09	15.21	1.58	12.52
(d)	Benefits Paid	(0.07)	(19.29)	-	(9.36)
(e)	Actuarial gain on obligations	(10.43)	(3.47)	(1.34)	0.58
(f)	Present value of obligations as at the end of year	15.95	221.11	22.77	213.20
II	Changes in the fair value of plan assets				
(a)	Fair value of plan assets at the beginning of year	22.39	202.77	17.30	170.75
(b)	Expected return on plan assets	1.73	15.44	1.56	15.40
(c)	Contributions	1.94	13.97	3.53	25.97
(d)	Benefits paid	(0.07)	(19.29)	-	(9.36)
(e)	Actuarial gain on Plan assets	-	-	-	-
(f)	Fair value of plan assets at the end of year	25.99	212.89	22.39	202.77
III	Change in the present value of the defined benefit obligation and fair value of plan assets				
(a)	Present value of obligations as at the end of the year	(15.95)	(221.11)	22.77	213.20

(Rupees in Lakhs)

(b)	Fair value of plan assets as at the end of the year	25.99	212.89	22.39	202.77
(c)	Net (liability) / asset recognized in balance sheet	10.04	(8.22)	(0.38)	(10.43)

(e) Amount for the year ended 31 March, 2021 and 31 March, 2020 recognised in the statement of profit and loss under employee benefit expenses.

Sr.No.	Particulars	2020-21		2019-20	
		Leave Encashment	Gratuity	Leave Encashment	Gratuity
		Rs.	Rs.	Rs.	Rs.
I	Expenses Recognised in statement of Profit & Loss				
(a)	Current Service cost	2.09	15.21	1.58	12.52
(b)	Interest Cost	1.59	15.46	1.57	14.61
(c)	Expected return on plan assets	(1.73)	(15.44)	(1.56)	(15.40)
(d)	Net Actuarial (gain)/loss recognised in the year	(10.43)	(3.47)	(1.34)	0.58
(e)	Expenses recognised in statement of Profit & Loss Account	(8.48)	11.76	0.25	12.31

(f) Amount for the year ended March 31, 2021 and March 31, 2020 recognised in the statement of other comprehensive income.

Sr.No.	Particulars	2020-21		2019-20	
		Leave Encashment	Gratuity	Leave Encashment	Gratuity
		Rs.	Rs.	Rs.	Rs.
I	Actuarial (Gain)/Loss recognized				
(a)	Actuarial gain for the year -Obligation	10.43	3.47	1.34	(0.58)
(b)	Actuarial gain for the year - plan assets	-	-	-	-
(c)	Total (gain)/loss for the year	(10.43)	(3.47)	(1.34)	0.58
(d)	Total actuarial (gain)/ loss included in other comprehensive income	(10.43)	(3.47)	(1.34)	0.58

The company has taken a separate gratuity and leave encashment policy with Life Insurance Corporation for new joiners commencing from 01.04.2020. Hence the premium payable for Gratuity amounting to Rs 1.10 Lakhs and for Leave Encashment amounting to Rs 0.58 Lakhs has been disclosed as current obligation of the company as on 31st March 2021.

(Rupees in Lakhs)

The year end foreign currency exposures that have not been hedged by a derivative instrument or otherwise are as under.

(a) Amount Receivable in Foreign Currency on account of the following :

Particulars	Foreign Currency	As on 31.03.2021		As on 31.03.2020	
		Amount in Foreign Currency	Rs.	Amount in Foreign Currency	Rs.
Amount Receivables	EURO	13,50,416.58	1,143.80	14,56,390.74	1,194.24
	GBP	-	-	5,268.70	4.85
	USD	3,20,928.46	231.90	2,68,821.80	201.21

(b) Amount Payable in Foreign Currency on account of the following :

Particulars	Foreign Currency	As on 31.03.2021		As on 31.03.2020	
		Amount in Foreign Currency	Rs.	Amount in Foreign Currency	Rs.
Amount Payable	EURO	18,394.80	15.81	1,30,777.58	107.19
	GBP	-	-	2,290.00	2.11
	USD	1,72,818.98	126.12	44,650.33	32.97

46 Research And Development Expenditure

S.No.	Particulars	2020-21	2019-20
		(Rs.)	(Rs.)
(i)	Capital Expenditure included in Fixed Assets	11.59	7.32
(ii)	Contribution to Scientific Research Association	-	-
(iii)	Revenue Expenditure included in Employee Benefit	33.27	35.35
(iv)	Revenue Expenditure included in Other Expenses & depreciation on R&D Capital assets	24.79	35.83

47 Segment Reporting

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

S.No.	Particulars	2020-21		2019-20	
		With India	Outside India	With India	Outside India
(i)	Segment Revenue	24,126.61	5,238.37	17,635.55	4,582.73

(Rupees in Lakhs)					
(ii)	Segment Assets	18,864.73	1,389.07	17,615.99	1,456.84
(iii)	Addition Fixed Assets	1,067.03	-	601.77	-

48 Leases:

The company's major leasing arrangements are in respect of staff quarters and office premises taken on Leave and License basis. The aggregate lease rentals of Rs 5.85 Lakhs (Previous Year: Rs.6.16 Lakhs) are charged as Rent and shown under the Note No. 38 "Other Expenses". These leasing arrangements, which are cancelable, range between eleven months and three years generally or longer and are usually renewable by mutual consent at mutually agreed terms and conditions.

The Company's major leasing arrangements are in respect of investment properties given on leave and licence basis. These leasing arrangements, which are cancellable, is for the period of 2 years and are usually renewable by mutual consent at mutually agreed terms and conditions. During the year both the flats were partly vacate. The aggregate rentals of Rs. 15.09 Lakhs (Previous Year: Rs.13.65 Lakh) collected as Licence Fees and shown under Note No. 31 "Other Income".

49 Transition to Ind As 116

Ministry of Corporate Affairs ("MCA") through Companies (Indian Accounting Standards) Amendment Rules, 2019 and Companies (Indian Accounting Standards) Second Amendment Rules, has notified Ind AS 116 Leases which replaces the existing lease standard, Ind AS 17 leases and other interpretations. Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases for both lessees and lessors. It introduces a single, on-balance sheet lease accounting model for lessees.

The Company has adopted Ind AS 116, effective annual reporting period beginning from 1 April 2019 and applied the standard to its leases, retrospectively, with the cumulative effect of initially applying the Standard, recognised on the date of initial application (1 April 2019). Accordingly, the Company has not restated comparative information, instead, the cumulative effect of initially applying this standard has been recognised as an adjustment to the opening balance of retained earnings as on 1 April 2019.

The company has identified that there were no leases which are in the nature of Right-to-use and hence no lease liability is recognised in the financial statements.

50 Fair Value Measurement

Financial instruments by category

	March 31, 2021			March 31, 2020		
	FVPL	FVOCI	Amortised cost	FVPL	FVOCI	Amortised cost
Financial assets						
Investments						
- Compulsory convertible debentures	-	148.72	-	-	146.48	-
- Mutual funds	21.44			20.23		
- Trade receivables	-	-	5,996.52	-	-	4,495.88
-Cash and cash equivalents	-	-	21.28	-	-	119.15

						(Rupees in Lakhs)
-Bank Balances	-	-	22.33	-	-	162.51
-Other receivable	-	-	113.53	-	-	112.80
Total financial assets	21.44	148.72	6,153.65	20.23	146.48	4,890.33
Financial liabilities						
-Non-Current Borrowings	-	-	-	-	-	2.80
-Trade payables	-	-	596.72	-	-	472.87
-Current Borrowings	-	-	1,153.09	-	-	2,541.86
-Other payables	-	-	73.92	-	-	94.69
Total financial liabilities	-	-	1,823.74	-	-	3,112.22

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are (a) recognised and measured at fair value and (b) measured at amortised cost. To provide an indication about the reliability of the inputs used in determining fair value, the Company has classified its financial instruments into the three levels prescribed under the accounting

(Rs in Lakhs)

Financial assets and liabilities measured at fair value At 31 March 2021	Level 1	Level 2	Level 3	Total
Financial assets				
Financial Investments at FVOCI				
- Compulsory convertible debentures		148.72	-	148.72
Financial Investments at FVPL				
- Mutual funds	21.44			21.44
Financial Investments at Amortised cost				-
- Trade receivables			5,996.52	5,996.52
-Cash and cash equivalents			21.28	21.28
-Bank Balances			22.33	22.33
-Other receivable			113.53	113.53
Total financial assets	21.44	148.72	6,153.65	6,323.82
Financial liabilities				
-Non-Current Borrowings			-	-
-Trade payables			596.72	596.72
-Current Borrowings			1,153.09	1,153.09
-Other payables			73.92	73.92
Total financial liabilities	-	-	1,823.74	1,823.74

(Rs in Lakhs)

Financial assets and liabilities measured at fair value At 31 March 2020	Level 1	Level 2	Level 3	Total
Financial assets				

(Rupees in Lakhs)				
Financial Investments at FVOCI				
Financial Investments at FVOCI		146.48		146.48
Financial Investments at FVPL				
- Mutual funds	20.23			20.23
Financial Investments at Amortised cost				
- Trade receivables			4,495.88	4,495.88
-Cash and cash equivalents			119.15	119.15
-Bank Balances			162.51	162.51
-Other receivable			112.80	112.80
Total financial assets	20.23	146.48	4,890.33	5,057.04
Financial liabilities				-
-Non-Current Borrowings			2.80	2.80
-Trade payables			472.87	472.87
-Current Borrowings			2,541.86	2,541.86
-Other payables			94.69	94.69
Total financial liabilities	-	-	3,112.22	3,112.22

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices. This includes listed equity instruments, traded bonds and mutual funds that have quoted price. The fair value of all equity instruments (including bonds) which are traded in the stock exchanges is valued using the closing price as at the reporting period. The mutual funds are valued using the closing NAV.

Level 2: The fair value of financial instruments that are not traded in an active market (for example, traded bonds, over-the-counter derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities, contingent consideration. There are no transfers between levels 1 and 2 during the year.

Valuation technique used to determine fair value

Specific valuation techniques used to value financial instruments include:

* the use of quoted market prices or dealer quotes for similar instruments

All of the resulting fair value estimates are included in level 2 except for unlisted equity securities, contingent consideration and indemnification asset, where the fair values have been determined based on present values and the discount rates used were adjusted for counterparty or own credit risk.

Valuation processes

The carrying amounts of trade receivables, trade payables, capital creditors and cash and cash equivalents are considered to be the same as their fair values, due to their short-term nature.

For financial assets and liabilities that are measured at fair value, the carrying amounts are equal to the fair values.

(Rupees in Lakhs)

51 Impact of Covid-19

The Management of the Group has assessed the impact of COVID-19 Pandemic on its financial statement/ position such as trade receivables, intangibles, inventories, trade payables and based on its best judgement and reasonable estimate, has concluded that there are no material adjustments required in the Financial Statements. However the impact assessment of Covid-19 is a continuous process, given the uncertainties associated with its duration and nature, it is not possible to estimate the future impact as at the date of approval of this financial statement. The group continues to monitor the economic effects of the pandemic while taking steps to improve its execution efficiencies and the financial outcome

52 The Indian Parliament has approved the Code on Social Security, 2020 which would impact the contributions by the company towards Provident Fund and Gratuity. The Ministry of Labour and Employment has released draft rules for the Code on Social Security, 2020 on November 13, 2020, and has invited suggestions from stakeholders which are under active consideration by the Ministry. The Group will assess the impact and its evaluation once the subject rules are notified and will give appropriate impact in its financial statements in the period in which, the Code becomes effective and the related rules to determine the financial impact are published.

53 Corporate Social Responsibility: As per Section 135 of the Companies Act, 2013, a company, meeting the applicability threshold, needs to spend at least 2% of its average net profit for the immediately preceding three financial years on corporate social responsibility (CSR) activities. The areas for CSR activities are eradication of hunger and malnutrition, promoting education, art and culture, healthcare, destitute care and rehabilitation, environment sustainability, disaster relief, COVID-19 relief and rural development projects. The disclosure in respect of CSR expenditure is as below:

- Gross amount required to be spent by the Holding Company during the year = Rs. 44.63 Lakhs
- Amount spent during the year = Rs. 47.38 Lakhs
- Amount required to be set off for the financial year, if any= Nil
- Amount committed towards ongoing projects = Not Applicable

CSR amount unspent during the year				
Total Amount transferred to Unspent CSR Account as per section 135(6).		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5).		
Amount	Date of Transfer	Name of the Fund	Amount	Date of Transfer
-	-	-	-	-

54 The Consolidated Financial Statements are prepared in accordance with Indian Accounting Standard (Ind AS 110) on Consolidated Financial Statements. The details of Subsidiary consolidated is as under:

Name of Subsidiary: Modison Contacts Private Limited
Country of Incorporation: India
Extent of Holding: 100%

55 Additional information as required to Consolidated Financial Statements to Schedule III to the Companies Act, 2013 of enterprises consolidated as Subsidiary

	Net Assets i.e Total assets minus total liabilities		Share in Profit/Loss		Share in Other Comprehensive Income (OCI)	
	As % of consolidated net assets	(Rs. In lakhs)	As % of consolidated profit or loss	(Rs. In lakhs)	As % of consolidated OCI	(Rs. In lakhs)
Modison Metals Limited	99.84%	16,456.27	99.97%	2,243.12	100%	15.98

(Rupees in Lakhs)

Subsidiaries						
Modison Contacts Private Limited	0.16%	26.44	0.03%	0.62	0%	0.00
Total	100.00%	16,482.71	100.00%	2,243.74	100%	15.98
Adjustments arising out of consolidation		24.98		0.01		-
Minority Interest		Nil		Nil		Nil
Total		16,457.73		2,243.75		15.98

56 The previous year figures have been regrouped/reclassified, wherever necessary to conform to the current presentation as per the schedule III of Companies Act, 2013.

For Kanu Doshi Associates LLP
Chartered Accountants
Firm's Registration Number: 104746W/W100096

For And On Behalf Of The Board

Kunal Vakharia
Partner
Membership No. 148916

G.L. Modi
Managing Director
DIN: 00027373

Manish Kumar Srivastava
Jt. Managing Director
DIN: 08796273

Place: Mumbai
Dated: 31st May 2021

Ramesh Kothari
Chief Financial Officer

Manika Arora
Company Secretary