

MODISON

METALS LIMITED

ANNUAL REPORT: 2012-2013

ANNUAL REPORT: 2012-13

BOARD OF DIRECTORS:

RANJAN DASGUPTA – Chairman
G. L. MODI - Managing Director
SURESH MODY
RAJKUMAR MODI - Wholetime Director
KUMAR JAY MODI - Wholetime Director
B.B. SINGH - Wholetime Director
R. A. GOENKA
SHRAVAN SHARMA
ANIL LOHIA
SATISH MODY

CEO

RAKESH S. SINGH, w.e.f. 13.08.2012

AUDITORS:

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

BANKERS:

BANK OF INDIA
CITIBANK N.A.

REGISTERED & HEAD OFFICE:

33 NARIMAN BHAVAN
227 NARIMAN POINT
MUMBAI – 400021

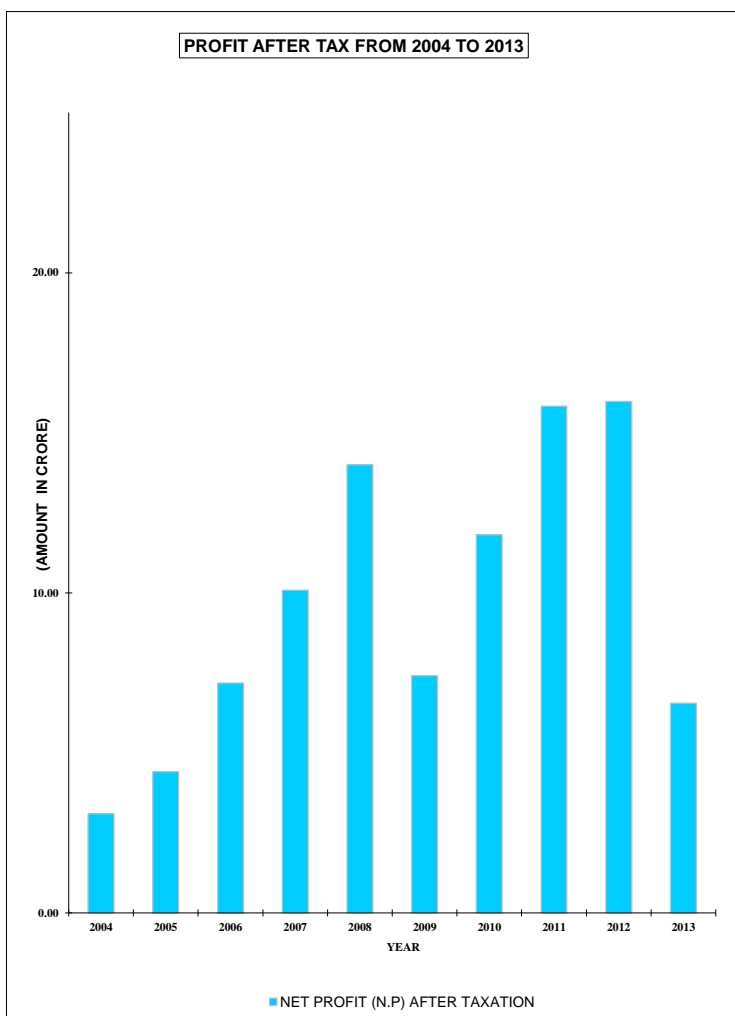
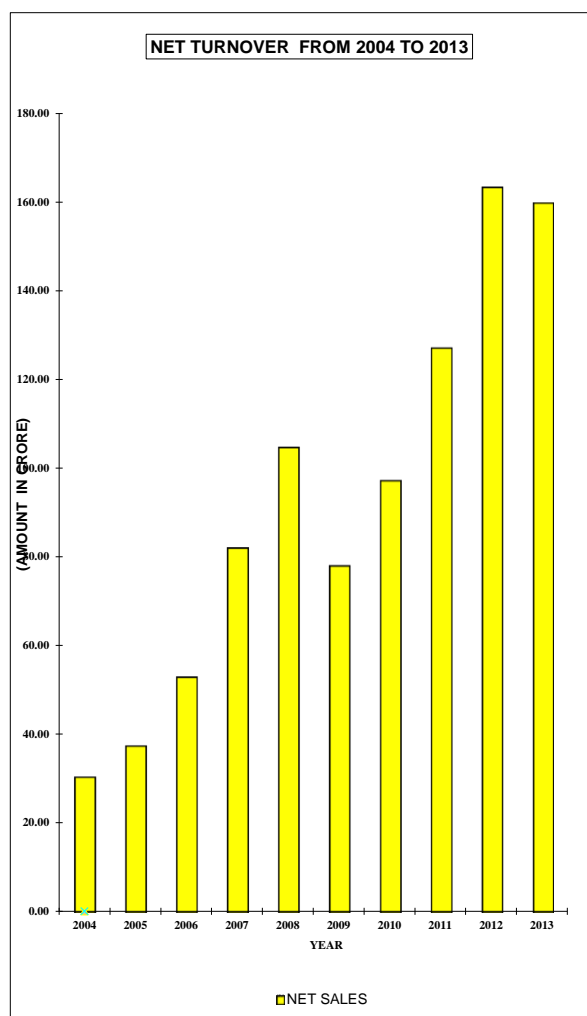
WORKS ADDRESS

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

FINANCIAL HIGHLIGHTS

(Rupees in Crore)

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
NET SALES	30.60	37.62	53.08	82.20	104.77	78.20	97.40	127.22	163.23	159.78
EBDIT	7.63	9.60	14.46	20.28	26.81	16.68	22.73	29.44	31.62	19.49
DEPRECIATION & AMORTISATION	1.50	1.54	1.85	2.64	2.65	3.51	3.97	4.61	5.26	6.05
EBIT	6.13	8.06	12.61	17.64	24.16	13.17	18.76	24.83	26.36	13.44
TAXATION	1.50	2.36	3.91	5.44	7.95	4.05	5.92	7.94	7.68	3.72
NET PROFIT (N.P) AFTER TAXATION	3.10	4.42	7.19	10.08	14.00	7.42	11.81	15.83	15.98	6.56
EBDIT TO NET TURNOVER (%)	24.93	25.52	27.24	24.67	25.59	21.33	23.34	23.14	19.37	12.20
EBIT TO NET TURNOVER (%)	20.03	21.42	23.76	21.46	23.06	16.84	19.26	19.52	16.15	8.41
NP TO NET TURNOVER (%)	10.13	11.75	13.55	12.26	13.36	9.49	12.13	12.44	9.79	4.11
NET BLOCK (+ CWIP)	21.22	21.61	30.55	30.98	38.70	41.03	44.05	46.64	54.73	62.09
PAID UP CAPITAL	3.25	3.25	3.25	3.25	3.25	3.25	3.25	3.25	3.25	3.25
RESERVES AND SURPLUS	10.83	14.40	20.50	29.46	41.83	49.54	58.41	70.39	82.53	85.22
NET WORTH	14.08	17.65	23.75	32.71	45.08	52.79	61.66	73.64	85.78	88.47
FEW KEY RATIOS										
EARNINGS PER SHARE (Rs.)	0.96	1.37	2.21	3.11	4.31	2.29	3.64	4.88	4.93	2.02
BOOK VALUE (Rs.)	3.91	5.05	6.98	9.78	13.62	16.02	18.79	22.51	26.28	27.13
DIVIDEND (%)	15.00	20.00	25.00	25.00	40.00	40.00	75.00	100.00	100.00	100.00



MODISON METALS LIMITED

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

NOTICE

NOTICE is hereby given that the **Thirtieth Annual General Meeting** of Modison Metals Limited will be held at **Radio Room, The Bombay Presidency Radio Club Ltd., 157, Arthur Bunder Road, Colaba, Mumbai – 400005** on **10th September 2013 at 11.30 A.M.**, to transact the following business:

ORDINARY BUSINESS:

Adoption of Directors' Report and Accounts

1. To receive and adopt the audited Balance Sheet as at 31st March 2013, Statement of Profit and Loss for the year ended on that date with the reports of the Board of Directors and Auditors thereon.
2. To declare Dividend on Equity Shares.
3. To appoint Director in place of Mr. B.B. Singh who retires from office by rotation and being eligible offers himself for reappointment.
4. To appoint Director in place of Mr. Suresh Mody who retires from office by rotation and being eligible offers himself for reappointment.
5. To appoint Director in place of Mr. R.A. Goenka who retires from office by rotation and being eligible offers himself for reappointment.
6. To appoint M/s M.L. Bhuwania & Co., Chartered Accountants, as Statutory Auditors of the company to hold office from the conclusion of this Annual General Meeting up to the conclusion of next Annual General Meeting.

SPECIAL BUSINESS

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

RE-APPOINTMENT AND REMUNERATION OF MR. RAJKUMAR MODI, WHOLETIME DIRECTOR OF THE COMPANY:

“RESOLVED THAT in accordance with the provisions of sections 198, 269 and 309 read with Schedule XIII and all other applicable provisions of the Companies Act, 1956 (including any statutory modification(s) or re-enactment thereof, for the time being in force), the consent of the Company be and is hereby accorded to the re-appointment of Mr. Raj Kumar Modi as a Whole-time Director for a further period of 3 (three) years with effect from 1st June 2013 on the terms and conditions including remuneration as are set out in the Agreement entered into between the Company and Mr. Rajkumar Modi, approved by the Remuneration Committee/ Board at its meeting held on 23rd May 2013 as set out in the explanatory statement annexed hereto.

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

MUMBAI, 23rd May, 2013

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

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

G. L. MODI
Managing Director

NOTES:

- a) A Member entitled to attend and Vote is entitled to appoint a proxy and vote instead of himself and the Proxy need not be a member. The Proxies should, however be deposited at the Registered Office of the Company not later than 48 hours before the commencement of the Meeting.
- b) An Explanatory statement pursuant to Section 173(2) of the Companies Act, 1956, relating to the Special Business to be transacted at the meeting is annexed hereto.
- c) Members / proxies should fill the Attendance Slip for attending the meeting.
- d) Members are requested to note that the company's shares are under compulsory demat trading for all the investors. Members are, therefore, requested to dematerialise their shareholding to avoid inconvenience.
- e) Members holding shares in dematerialised mode are requested to intimate all changes pertaining to their bank details, ECS mandates, nominations, power of attorney, change of address/name etc.to their depository participant only and not to the company or its registrar and transfer Agent. The said intimation will be automatically reflected in the company's records
- f) The Register of Members and transfer books of the company will be closed from 3rd September 2013 to 10th September 2013 (Both days inclusive).
- g) The dividend, after declaration, will be paid to those shareholders whose names stand on the Register of Members on 10th September, 2013. The dividend in respect of shares held in the electronic form will be paid to beneficial owners of the shares whose names appear in the list furnished by the Depositories for this purpose as on 10th September, 2013. The dividend will be paid by 9th October, 2013 to the Shareholders.
- h) Members are hereby informed that Dividend which remains unclaimed/ un-encashed over a period of 7 years, has to be transferred as per the provisions of Section 205A of the Companies Act, 1956, by the Company to "The Investor Education & Protection Fund", constituted by the Central Government under Section 205C of the Companies Act, 1956

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
26.09.2006	2005-2006	25.09.2013
25.09.2007	2006-2007	24.09.2014
26.08.2008	2007-2008	25.08.2015
25.08.2009	2008-2009	24.08.2016
27.07.2010	2009-2010	26.07.2017
26.07.2011	2010-2011	25.07.2018
07.08.2012	2011-2012	06.08.2019

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

- i) The Company is listed at:
BSE Ltd.
Phiroze Jeejeebhoy Towers,
Dalal Street, Mumbai- 400 001.

The listing fees have been paid in time

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

	Name of the Director	Mr. Rajkumar Modi	Mr. B.B. Singh	Mr. Suresh Mody	Mr. R.A. Goenka
i)	Date of birth	08.03.1965	08.02.1956	23.10.1944	15.07.1942
ii)	Date of Appointment	09.06.1998	29.05.2010	01.01.1997	28.04.2008
iii)	Qualification	B.Com., MBA	B. Tech Mechanical	B.Com., LL.B.	B.A.
iv)	Expertise in specific functional area	He has a sharp business acumen, stronghold in export market and excellent administrative skills	34 years of experience in Engineering Industry.	46 year's experience In Finance and Taxation.	In Chemical Industries & Overseas Business
v)	List of other public limited companies (in India) in which outside directorship held	None	None	None	Sanjana Cryogenic Storages Ltd.
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	None	None	None	None

EXPLANATORY STATEMENT U/S 173 (2) OF THE COMPANIES ACT, 1956 FORMING PART OF THE NOTICE

Item No. 7

The Board of Directors at its meeting held on 23.05.2013 had approved the remuneration as well as other terms and conditions related to re-appointment of Mr. Rajkumar Modi as the company's Wholetime Director for a period of three years with effect from 1st June 2013 to 31st May, 2016, subject to the approval of the Company in its General Meeting. The remuneration as well as the other terms and conditions related to the re-appointment of Mr. Rajkumar Modi were approved by the Remuneration Committee of the Board at its meeting held on 23.05.2013.

The material provision of the Agreement as regards Mr. Rajkumar Modi's re-appointment as Wholetime Director, referred to in Resolution No. 7 are as under:-

REMUNERATION:

- a) Salary: Rs. 3,15,000/- per month
- b) Perquisites will be paid in addition to salary, and will be subject to a limit of 10% of a annual salary.

Perquisites are classified as follows:

Category- A:

- (i) Leave Travel Concession / Medical Reimbursement: Rs. 3,00,000/- per annum for the appointee and his family in accordance with rules specified by the company.
- (ii) Personal Accident Insurance: Personal Accident insurance of an amount, annual premium of which does not exceed Rs. 4000/- per annum.
- (iii) Medical Insurance: Premium paid on health Insurance Policy whether in India or aboard for self and family as per rules of the company

CATEGORY- B :

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

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

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

CATEGORY- C :

The provision of car for use on Company's business and telephone at residence will not be considered as perquisites. Personal long distance calls on telephone and the use of the car for private purposes shall be billed by the Company to the individual appointee concerned.

The Remuneration shall be paid in accordance with provisions of part II of the schedule XIII of the companies Act 1956.

The Agreement between the company and whole time director is available for inspection by the Members at the Company's Registered Office between 10:00 am to 12:00 noon on any-working day up to the date of Annual General Meeting.

Your Directors commend the resolution for your approval

Mr. Rajkumar Modi is deemed to be concerned or interested in the resolution as it pertains to his appointment and remuneration payable to him.

MUMBAI, 23rd May,2013

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

G.L MODI
Managing Director

Annexure to the notice of 30th Annual General Meeting to be held on Tuesday, 10th September 2013 at 11.30 A.M.

STATEMENT GIVING INFORMATION TO SHAREHOLDERS AS REQUIRED BY GSR NO. 26 (E) DATED 16.01.2002 IN TERMS OF ITEM NO. 7 REGARDING RE-APPOINTMENT OF MR. RAJKUMAR MODI.

I. General information:

1)	Nature of Industry:	Manufacturing (Electrical Contact Industry)		
2)	Date or expected date of commencement of commercial production:	1985		
3)	In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus:	Not Applicable		
			F.Y. 2012-13	F.Y: 2011- <u>12</u>
			Rs. In Lakhs	
4)	Financial performance based on given indicators:	Revenue & Other Income:	15977.94	16323.19
		Net Profit before tax:	1028.15	2366.81
5)	Export performance and net foreign exchange collaborations:	Export (F.O.B)	2776.64	2641.02
6)	Foreign investments or collaborators, if any:	No Foreign Exchange Collaboration Not applicable		

II. Information about the appointee:

- 1 Background details: In 1991, after passing MBA (INTL,MGT) from University of Dallas, Texas, USA, Mr. R.K.Modi started the career as a Director looking full time into the daily affairs of business from purchasing to marketing end to end responsibility. Later on the market was expanded globally from Japan to Brazil covering most of the developed countries. In 2001 he became the Whole Time Director getting more responsibility in looking at newer market and new product introduction. He was instrumental in launching Medium Voltage Contact parts for use in Vacuume Intruptor Devices. Also developing import substitute items like Spiral Spring Contacts. He is advised by team of professionals working towards achieving the goals set up by the company's Management
- 2) Past remuneration: Following remuneration is being paid to him by the company till date:
Salary: Rs. 200,000/- per month
Perquisites: Restricted to 25% of annual salary
Other Benefits As per Rules of the Company
Maximum Remuneration: Rs.2,76,400/- per month.
- 3) Recognition or Awards: MODISON Silver bars are recognized 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: CESI-Italy, KEMA Laboratories-Holland and CPRI-Bangalore-India.
- 4) Job profile and his suitability: The Wholetime Director shall perform such duties as the Company may require him to do from time to time and devote his whole time and attention and do the utmost of his power and ability for the benefit of the company.

The Wholetime Director with strong hold in export Market and excellent administrative capabilities is suitable for the company.
- 5) Remuneration proposed: Basic salary: Rs. 3,15,000/- per month
Perquisites: Restricted to 10% of annual salary
Other Benefits As per Rules of the company
Maximum Remuneration: Rs. 3,46,500 per month.
- 6) Comparative remuneration profile with respect to industry, size of the company, profile of the position and person (in case of expatriates the relevant details would be w.r.t. the country of his origin): Rs. 50 Lakhs per annum
- 7) Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personal, if any: Promoter of the company appointed as Wholetime Director of the company w.e.f. 01.04.2001

III. Other information:

- 1) Reason of loss or inadequate profit: The company is a leading manufacturer of electrical contacts / hvc/SF6 Contacts used in transmission, distribution and utilization of power. Since its business area predominantly relates to infrastructure facilities in the power and other industrial sector, the pace of progress in these sectors to a large extent affects the results of the company. As there was no significant addition in real terms in power manufacturing capacity and addition in Transmission and Distribution facilities for power, it has an immediate negative effect on demand growth.
- 2) Steps taken or proposed to be taken for improvement: A focussed 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 turnover of Rs.21,000 Lakhs and net profit before tax of Rs.2,104 Lakhs in Financial Year: 2013-2014. The effect of expansion and restructuring will improve further the results of the company in coming years.

IV. Disclosures:

1. The shareholders of the Company shall be informed of the remuneration package of the managerial person
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.

By Order of The Board of Directors
For **MODISON METALS LTD.,**

Place : **MUMBAI**
Date : **23rd May 2013**

G. L. MODI
Managing Director

DIRECTORS' REPORT

To,

The Members of
MODISON METALS LTD.

Your Directors have pleasure in submitting the **Thirtieth Annual Report** of the Company together with audited Accounts for the year ended 31st March, 2013.

• **FINANCIAL RESULTS**

	<u>Rupees In Lakh</u>	
	<u>2012-13</u>	<u>2011-12</u>
Revenue from Operation & Other Income	15,977.94	16,323.19
Gross Profit Before Finance Cost & Depreciation / Amortisation	1,948.43	3,162.47
Less: Finance Cost	315.70	269.35
Depreciation / Amortisation	604.58	526.31
Profit Before Taxation	1,028.15	2,366.81
Less: <u>Provision for Taxation:</u>		
Current Tax	250.00	752.00
Deferred Tax	121.82	16.66
Profit After Taxation	656.33	1598.15
Add: Taxation adjustment of previous year	(0.33)	0.28
Add: Balance Brought Forward from the previous year	7,070.45	6,009.01
Profit available for appropriation	7,726.85	7607.44
Proposed Dividend	324.50	324.50
Corporate Dividend Tax	55.15	52.64
Transfer to General Reserve	67.00	159.85
Balance Carried Over to Balance Sheet	7,279.80	7,070.45

- **DIVIDEND :**

The Board of Directors has recommended a Dividend of **Re.1/-** (100 per cent) per Equity Share of Re.1/- each for the Financial Year ended 31st March 2013.

- **OPERATIONS :**

During the year under review, the Company has achieved the **turnover of Rs. 15,977.94 Lakh** as compared to Rs. 16,323.19 Lakh during previous year. Turnover slightly reduced by 2.12% i.e. by Rs.345.25 Lakh, Profit before tax reduced by Rs.1,338.66 Lakh, & Net Profit after tax reduced by Rs.942.44 Lakh.

Earnings per share for the year 2012-13 decreased to Rs. 2.02 from Rs. 4.93 in the previous year. Book value now stands at Rs. 27.13 per Equity Share of Re.1/- each.

- **EXPORTS :**

The Exports during the year amounts to **Rs. 2776.64 Lakh** as against Rs. 2641.02 Lakh achieved in the previous year. The Company is focusing to improve its exports performance.

- **RESEARCH AND DEVELOPMENT :**

A state-of-the-art recognized R & D Division set up by the Company in Financial Year 2002-03 got renewal in June 2010 from Department of Science & Technology Industrial Research, New Delhi. The R&D Division is working for development of new product as well as improvement in existing products.

- **DIRECTORS:**

Mr. B.B. Singh, Mr. Suresh Mody & Mr. R.A. Goenka retire by rotation at the forthcoming Annual General Meeting and being eligible offer themselves for re-appointment to the Board.

- **DIRECTORS' RESPONSIBILITY STATEMENT:**

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

1. The financial statements are in full conformity with the requirements of the Companies Act, 1956 and applicable accounting standards had been followed.
2. The Directors have selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for the year ended on that date.
3. The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
4. The Directors have prepared the Annual Accounts on a going concern basis.

- **COMPLIANCE CERTIFICATE:**

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

- **CORPORATE GOVERNANCE:**

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

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

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

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

- **ENERGY, TECHNOLOGY AND FOREIGN EXCHANGE:**

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

- **PARTICULARS OF EMPLOYEES:**

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

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

- **AUDITORS :**

M/s. M. L. Bhuwania & Co., Chartered Accountants, the Statutory Auditors of the Company retire at the ensuing Annual General Meeting and are eligible for reappointment as per the Certificate given by the Auditors under the provisions of Section 224 (1B) of the Companies Act, 1956.

- **PUBLIC DEPOSITS :**

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

- **APPRECIATION :**

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

For And On Behalf Of The Board

Mumbai, 23rd May, 2013

G. L. MODI
Managing Director

ANNEXURE I TO DIRECTORS' REPORT

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

A. CONSERVATION OF ENERGY

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

B TECHNOLOGY ABSORPTION :

Research & Development

- a) Specific areas in which R&D carried out by the company:
 - Development of Semi Continuous Casting.
 - Development of high current carrying Contacts by EBW with new material composition.
 - Development of Fully Automatic Inline Welding for Siemens (Weldomat)
- b) Benefits derived as a result of above R & D:-
 - New product development is import substitute
 - Country has saved valuable foreign exchange
 - Much better product performance at significantly lower raw material costs.
- c) Future Plan of action:
 - Development of Brazing Rod by Extrusion process containing 2% or less silver
 - Development of Brazing Alloy by vacuum melting
 - Development of Moving and Fixed Contact by Toplay Brazing
 - Development of import substitute for Crown Contact
 - Development of Tin Walled Contacts manufacturing by metal spinning.
- d) Expenditure in R&D:

	<u>Rs. In Lakh</u>
- Capital	39.07
- Recurring	<u>25.91</u>
Total	<u>64.98</u>
- Total R&D Expenses as a percentage of total Turnover	0.41%

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 (2012-13)

	<u>Rs. in Lakh</u>
i) CIF Value of Imports:	2823.92
ii) Expenditure in Foreign Currency:	180.97
iii) Foreign Exchange earned:	2825.09

ANNEXURE II TO DIRECTORS' REPORT

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

Name	MR. G.L. MODI
Designation	Managing Director
Date of Commencement of Employment	1 st Sept. 1994
Gross Remuneration	Rs. 12878734/-
Age (in Years)	71
Qualification	D.M.E
Experience (in years)	48
Particulars of Previous Employment	-
Designation	-

NOTES :

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

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

Name of the Company: MODISON METALS LIMITED

Registration No : 11-029783

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

To,
The Members of
MODISON METALS LIMITED

We have examined the registers, records, books and papers of **MODISON METALS LIMITED** as required to be maintained under the Companies Act, 1956, and the rules made thereunder and also the provisions contained in the Memorandum and Articles of Association of the Company for the financial year ended on **31st March, 2013**. In our opinion and to the best of our information and according to the examinations carried out by us and explanations furnished to us by the Company, its officers and agents, we certify that in respect of the aforesaid financial year:

1. The Company has maintained statutory registers as stated in Annexure 'A' to this certificate as per the provisions and the rules made thereunder.
2. The Company has filed the forms and returns as stated in Annexure 'B' to this Certificate, with the Registrar of Companies. And also filed Form No.25A to the Central Govt.
3. The Company being a Public Limited Company has the prescribed paid-up capital.
4. The Board of Directors duly met **four (4)** times respectively on 29th May 2012, 14th August 2012, 6th November 2012 and 6th February 2013 in respect of which meetings proper notices were given and the proceeding were properly recorded and signed in the Minutes book maintained for the purpose.
5. The Company has closed its Register of Members from 31st July 2012 to 7th August 2012 during the financial year.
6. The Annual General Meeting for the financial year ended 31st March, 2012 was held on 7th August 2012 after giving due notice to the members of the Company and the resolutions passed thereat were duly recorded in the Minutes book maintained for the purpose.
7. No Extra-Ordinary Meeting was held during the financial year.
8. The Company has not advanced any loans to its directors or persons or firms or Companies referred to under section 295 of the Act.
9. The Company has entered into contract falling within purview of Section 297 of the Act the same was on cash basis.
10. The Company has made necessary entries in the register maintained under section 301 of the Act.
11. As there were no instances falling within the purview of Section 314 of the Act, the Company has not obtained any approvals from the Board of Directors, Members or Central Government.
12. The Company has not issued any duplicate share certificates during the financial year.

13. The Company has stated that:
- i) There was no allotment/ transmission of Securities during the Financial Year. But there was Transfer of Shares during the Financial Year.
 - ii) The Company has deposited the amount of dividend declared in a separate Bank Account which is within five days from the date of declaration of such dividend.
 - iii) The Company has paid dividend to all the members within a period of 30 days from the date of declaration.
 - iv) The Company has duly complied with the requirement of section 217 of the Act.
14. The Board of Directors of the Company was duly constituted. There was Change in designation of Directors.
15. The appointment of Managing Director has been made in compliance with the provisions of Section 269 read with Schedule XIII to the Act. Form No. 25A Filed at Central Government for the Appointment of Mr. G.L.MODI and approval is awaited.
16. The Company has not appointed any sole selling agents during the financial year.
17. The Company was not required to obtain any approval from the Central Government, Company Law Board, Regional Director, and /or such authorities prescribed under various provisions of the Act.
18. The directors have disclosed their interest in other firms /Companies to the board of the directors to the provision of the act and the rules made thereunder.
19. The Company has not issued any share, debentures or other securities during the financial year.
20. The Company has not bought back any shares during the financial year.
21. There was no redemption of preference share or debentures during the financial year.
22. There was no transaction necessitating the Company to keep in abeyance the rights to dividend, rights shares and bonus shares pending registration of transfer of shares.
23. The Company has not invited/ accepted any deposits including unsecured loan falling within the purview of Section 58A during the financial year.
24. The Company has made borrowings during the Financial year 31st March 2013 and that necessary resolution as per section 293 (1)(d) of the Act have been passed.
25. The Company has not made loans and investments or given guarantees or provided securities to other bodies corporate in compliance with the provisions of the Act and was not required to make entries in the register kept for the purpose.
26. The Company has not altered the provision of the memorandum with respect to situation of the Company's registered office from one state to another during the year under scrutiny.
27. The Company has not altered the provision of the memorandum with respect to the object of the Company during the year under scrutiny.
28. The Company has not altered the provision of the memorandum with respect to name of the Company during the year under scrutiny.
29. The Company has not altered the provisions of the memorandum with respect to share capital of the Company during the year under scrutiny.
30. The Company has not altered its articles of association and was not required to obtain the approval of the members in the general meeting during the financial year and hence no amendments to the Articles of Association were required to be registered with the Registrar of Companies.
31. As per the information provided, there was no prosecution initiated against or show cause notices received by the Company, during the financial year, for offences under the Act.

32. The Company has not received any security from its employees during the year under certification and has complied with the provisions of section 417(1) of the Act.
33. As per the information provided before us the Company has deposited both employees & employer's contribution to the provident fund with prescribed authorities pursuant to Section 418 of the Act.

Place: Mumbai
Date: 23rd May 2013

Mrs. Ragini Chokshi
Practising Company Secretary

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

ANNEXURE A

1. Register of Members' u/s 150
2. Register of Directors u/s 303
3. Register of Directors Share holding u/s 307.
4. Register of Charges u/s130.
5. Register of Investments u/s 372A.
6. Register of Contracts u/s 301.
7. Minutes books for meetings of the Board of Directors and Shareholder.

ANNEXURE B

Forms and returns filed by the Company with the Registrar of Companies, during the financial year ending on 31st March 2013.

Sr. No.	Form No. / Return	Filed under Section	For	Date of Filing	Whether Filing within Prescribed Time Yes / No	If delay, in filing whether requisite additional fee paid Yes / No
1.	Form 20B	159(1)	2011-12	14/09/2012	Yes	No
2.	Form 23AC/ACA Balance sheet and Profit and Loss A/c	220	2011-12	26/12/2012	Yes	No
3.	Form 66	383 A	2011-12	21/08/2012	Yes	No
4.	Form 32		2012-13	23/08/2012	Yes	No
5.	Form 23C		2012-13	24/09/2012	Yes	No
6.	Form 25C		2012-13	23/11/2012	No	Yes
7.	Form 23		2012-13	23/08/2012	Yes	No
8.	Form 25A		2012-13	05/09/2012	Yes	No
9.	Form 8		2012-13	21/11/2012	No	Yes
10.	Form 8		2012-13	21/11/2012	No	Yes
11.	Form 8		2012-13	21/11/2012	No	Yes
12.	Form A XBRL		2012-13	31/01/2013	Yes	No
13.	Form 23		2012-13	27/08/2012	Yes	No

Management Analysis & Discussion Report:**A. Business Environment:**

The year saw power sector and switchgear industries going through turbulent phase with power sector mainly facing lots of reform and policy related issues coupled with fuel shortage.

Power deficit levels continue across the country driven by growing energy demand and slippages in capacity addition. This was in spite of highest MW addition in XI plan. Further the low per capita power consumption in the country, which is one of the lowest globally, augurs well for demand outlook for the sector. In addition to this major plan to reduce T&D losses will mean higher investment hence propelling growth for power sector.

Thus due to supply demand imbalance and huge impetus to power sector in XII plan the future augurs well for our company

B. Vision:

The company's vision is to retain and enhance its leadership position and in the process tread the growth path so as to serve all the stakeholders. In view of this company has formulated robust Strategic plan "GOAL2017" for the next 5 years with terminal year 2017. The company's strategic plan is to become a Rs 500 Cr company by year 2017 by organic and inorganic growth.

C. Operations:

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

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

D. Capacity expansion:

During this downturn also, we continued to invest in capacity and capability building exercise so as to take maximum advantage of the economic revival whenever it happens. Company has invested 11% of its revenue in expansion of capacities with acquisition of capability in the process as well. We could do this as we continue to believe in our long term strategic plan of becoming 500Cr Company by 2017. The expansion has put us right up there with leading players in the world with respect to overall capacity and ability to respond to the market.

E. Product wise Performance and Financial Performance:

The company is manufacturing Electrical Contacts for Low, Medium & High Voltage Switchgear.

During the F.Y. 2012-13 Revenue of the Company was **Rs. 15977.94 Lakh** as compared to Rs.16323.19 Lakh, achieved during the previous F.Y. of 2011-12. However Profit Before Tax reduced to **Rs. 1028.15 Lakh** in the Year under report from Rs. 2366.81 Lakh achieved during the previous F.Y.

Export sales during the current F.Y. amounted to **Rs. 2776.64 Lakh** as against Rs. 2641.02 Lakh achieved in the previous F.Y

F. Research and Development

A state-of-art recognized R & D Division was set up by the Company in F.Y. 2002-03, the Recognition was renewed in June 2010 from the Department of Science & Technology, Industrial Research, New Delhi. The Company has applied for renewal of R&D recognition to the Department of Science & Technology, Industrial Research, New Delhi. Research & design continue to remain major thrust area for company. The Company introduced major new products in the market for LV, MV and HV. These new products are going to be cornerstone of our future growth and also help increase new product intensity. Company invested approximately 0.5% of revenue in R&D.

G. Internal Control System & their Adequacy:

Given the nature of business and size of operations, the company's internal control system has been designed to:

Adherence to applicable accounting standards and policies

To ensure efficiency of operations and compliance with applicable legislation.

To ensure adequate management reporting system comprising of managerial reporting and analysis on various performance indicators, for corrective directions as and when necessary.

The Audit Committee also looks into internal control system of the company.

H. Human Resources:

HR plays pivotal role in organisational growth and it is imperative that it continue to do so keeping in mind our strategic plan "GOAL2017".

The company has given more focus on retaining and nurturing talent besides attracting. Company has formulated basic competency framework that shall help for better and consistent hiring helping the organisation at all levels.

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

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

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

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

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

BSC has four different perspectives:

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

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

I. Business development & growth:

The company has taken international business development as one of the high impact business strategy to achieve its strategic plan. Participation in WIN exhibition in Istanbul, Turkey and Hannover, Germany is step towards this direction. The plan to appoint representatives and agents in new geographies is in place and will be executed by this mid-year. The company plan to enter two new geographies directly.

On domestic front sales & marketing has been re-jigged to have a standalone region specific and product specific strategy which gives impetus to sales in the respective segment. The restructuring has started giving dividends and expected to mature this year.

For certain products it has been envisaged to take the retailing route in order to enhance sales.

J Risk Management

Though power sector is likely to do well in medium to long term basis part of it will be addressed by import of equipment /subassemblies eating into our share. Many electricity board projects are driven only by price and in such orders low end imported switchgears eat into market.

The company has implemented various cost optimisation initiatives, better working capital management and operational excellence to become more competitive that will be leveraged along with our proven performance in quality and responsiveness. This shall help us to selectively address such market.

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

K Corporate Social responsibility

Modison group is having a charitable trust named Modison charitable trust which in turn runs maternity hospital. It donates bed for needy patients time to time.

The trust is also engaged in providing scholarships to needy students in order to contribute to their future in humble way.

CORPORATE GOVERNANCE

1. COMPANY'S PHILOSOPHY

We, at Modison Metals Limited (MML), believe that for a company to succeed it must maintain global standards of corporate conduct towards its employees, customers and society. The company believes that it is rewarding to be better managed and governed and to identify and align its activities with national interest. To that end, we, as a company, have always focused on good corporate governance – which is a key driver of sustainable corporate growth and long term value creation.

At Modison Metals Limited, we view Corporate governance in its widest sense, almost like a trusteeship. Corporate governance is not simply a matter of creating checks and balances; it is about creating an outperforming organization. The primary objective is to create and adhere to a corporate culture of conscience and consciousness, transparency and openness; and to develop capabilities and identify opportunities that best serves the goal of value creation. Good Governance is an integral part of MML Management, in its pursuit of excellence, growth and value creation with a clear focus on its employees, customers, shareholders and the community at large – its stakeholders, beyond the metric of stock market and market capitalization.

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

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

2. BOARD OF DIRECTORS

a) Composition of the Board

The company is fully compliant with the Corporate Governance norms in terms of constitution of the Board. The Board of Directors has an optimum combination of Executive and Non-Executive Directors with 60% of Directors being Non-Executive Directors. The Board of Directors at present comprises of 10 directors and represents the optimum mix of professionalism, knowledge and experience.

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

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

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

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

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

An Independent Director is a Director who:

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

b) APPOINTMENT / REAPPOINTMENT OF DIRECTORS:-

Mr. Rajkumar Modi is reappointed as Wholetime Managing Director of the company w.e.f. 1st June 2013 for the period of three years.

Mr. B.B. Singh, Mr. Suresh Mody and Mr. Ramavtar Goenka retire by rotation at the ensuing Annual General meeting and being eligible offer themselves for re-appointment. Approval of the shareholders is sought at the ensuing Annual General Meeting for their re-appointment as Directors of the Company.

The list containing the details of the Directors seeking appointment/re-appointment at the 30th Annual General Meeting is given below:-

	Name of the Director	Mr. Raj Kumar Modi	Mr. B.B. Singh	Mr. Suresh Mody	Mr. R.A. Goenka
i)	Date of birth	08.03.1965	08.02.1956	23.10.1944	15.07.1942
ii)	Date of Appointment	09.06.1998	29.05.2010	01.01.1997	28.04.2008
iii)	Qualification	B.Com., MBA	B. Tech Mechanical	B.Com., LL.B.	B.A.
iv)	Expertise in specific functional area	He has a sharp business acumen, stronghold in export market and excellent administrative skills	34 years of experience in Engineering Industry.	46 year's experience In Finance and Taxation.	In Chemical Industries & Overseas Business
v)	List of other public limited companies (in India) in which outside directorship held	None	None	None	Sanjana Cryogenic Storages Ltd.
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	None	None	None	None

c) BOARD MEETINGS AND GENERAL MEETINGS:

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

Four meetings were held during the year ended 31st March 2013. They were on 29.05.2012, 14.08.2012, 06.11.2012 and 06.02.2013.

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

d) Information supplied to the Board

Among others, this includes:

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

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

3. BOARD COMMITTEES:

The Board has constituted the following committees of Directors:-

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

I) AUDIT COMMITTEE:

a) Composition:

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

Name of the Directors

Category

Mr. Shravan Sharma	Chairman, Non-Executive and Independent
Mr. Anil Lohia	Non-Executive and Independent
Mr. Satish Mody	Non-Executive and Independent
Mr. Rajkumar Modi	Executive

The Compliance Officer: Mr. Ramesh Kothari acts as Secretary of the Audit Committee. The members of the Audit Committee are financially literate and two members has accounting and related financial management expertise. The chairman of the Audit Committee was present in the Last Annual General Meeting.

b) Terms of Reference:

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

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

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

d)

The role of Audit Committee includes the following:-

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

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

e) Review of Information by the Audit Committee:

The Audit Committee reviews the following information:

- i) The management discussion and analysis of financial condition and results of operations
- ii) The statement of significant related party transactions (as defined by the Audit Committee) submitted by the Management.
- iii) Management letters / letters of internal control weaknesses issued by statutory auditors and

f) Audit Committee meetings and attendance:

Four Audit Committee Meetings were held during the year ended 31st March, 2013 on 29.05.2012, 14.08.2012, 06.11.2012 and 06.02.2013.

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

<u>Sr. No.</u>	<u>Name of the Directors</u>	<u>No. of Meetings attended</u>
1.	Mr. Shravan Sharma	4
2.	Mr. Anil Lohia	4
3.	Mr. Satish Mody	4
4.	Mr. Rajkumar Modi	4

II. REMUNERATION COMMITTEE:

a) Terms of Reference:

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

b) Composition and Details of Attendance of Remuneration Committee:

<u>Sr. No.</u>	<u>Name of the Directors</u>	<u>Status</u>	<u>No. of Meetings attended</u>
1.	Mr. Shravan Sharma	Chairman	1
2.	Mr. Anil Lohia	Member	1
3.	Mr. Satish Mody	Member	1

During the financial year 2012-13, one Remuneration Committee meeting was held on 29.05.2012

c) Remuneration Policy:

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

d) Remuneration paid to all the Directors:

Remuneration of Directors, Sitting Fees, Salary, Perquisites:
Executive Director: Managing Director / Wholetime Directors.

The Company is having a Remuneration Committee.

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

i) The Remuneration (including perquisites and benefits) paid to the Managing Director / Wholetime Director during the year ended 31st March 2013 is as follows:-

Name of director	Sitting Fees	Salary	Perquisites	Gratuity Provision	Contribution to PF	Amount in Rupees
						Total
G. L. Modi	-	12,268,710	252,352	346,152	11,520	12,878,734
Rajkumar Modi	-	2,400,000	304,278	115,384	11,520	2,831,182
B.B. Singh	-	2,013,704	50,000	--	11,520	2,075,224
Kumar Jay Modi		1,500,000	265,898	--	11,520	1,777,418

Service Contracts, Severance Fees and Notice Period:

ii) The appointment of the Managing Director is for a period of 3 years from 09.07.2012 to 08.07.2015 and the appointment of Wholetime Director of Mr. Rajkumar Modi is for a period of 3 years, from 01.04.2011 to 31.03.2014 and appointment of Mr. B.B. Singh is for a period of five years from 29.05.2010 to 28.05.2015. There is no provision for separate payment of severance fee under the resolution appointing the Managing Director and Wholetime Directors.

iii) Performance linked incentive criteria:
No such performance linked incentive are given to the appointees.

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

Non-Executive Directors:

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

(v) Mr. Ranjan Dasgupta is paid Professional Fees of Rs.3,00,000/- for F.Y. 2012-13 for rendering professional services.

Mr. Suresh Mody is also paid Professional Fees of Rs.10,00,000/- for the F.Y. 2012-13 for rendering Professional Services.

The details of Sitting Fees paid to Non-Executive Directors for attending Board and Committee Meetings during the year 2012-13 are given below:

Name of the Director	Director Sitting Fees (Rs)
Mr. Ranjan Dasgupta	40,000
Mr. Suresh Mody	40,000
Mr. Shravan Sharma *	90,000
Mr. Satish Mody *	90,000
Mr. Ramavtar Goenka	20,000
Mr. Anil Lohia*	90,000

* includes fees for Audit Committee & Remuneration Committee Meetings.

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

<u>Name of the Director</u>	<u>No. of Shares</u>
Mr. Ranjan Dasgupta	Nil
Mr. Suresh Mody	227,240
Mr. Shravan Sharma	Nil
Mr. Satish Mody	313,475
Mr. Ramavtar Goenka	1,000
Mr. Anil Lohia	2,000

III SHAREHOLDERS' GRIEVANCE COMMITTEE:

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

Composition of the Committee:

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

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

Name of the Director	Executive / Non-Executive
Mr. Shravan Sharma	Non- Executive and Independent
Mr. G. L. Modi	Executive
Mr. Rajkumar Modi	Executive

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

During the year, no complaint was received, and no request for share transfer and dematerialization received during the Financial Year was pending for more than two weeks.

4) GENERAL BODY MEETINGS:

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

Annual General Meetings:

Financial year	Date	Time	Venue
2009-10	27.07.2010	11:30 A.M.	Radio Room, Bombay Presidency Radio Club Ltd., Arthur Bunder Road, Colaba, Mumbai
2010-11	26.07.2011	11:30 A.M.	
2011-12	07.08.2012	11:30 A.M.	

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

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

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

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

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

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

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

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

Postal Ballots:

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

1. To alter the Object clause of the Memorandum of Association of the company.

2. To commence new business.

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

5. OTHER DISCLOSURES:

a) There are no materially significant related party transaction, i.e. transaction of the company of material nature with its Promoters, the directors or the Management etc. that may have potential conflict with the interests of the company at large :

Related party transactions are disclosed in Note No. 29 to the financial statement in the Annual Report. The Audit Committee had reviewed the related party transactions as mandatory requirement under clause 49 of the Listing Agreement.

b) 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.

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

d) The Company has complied with all the mandatory requirements and has also disclosed information relating to non-mandatory requirements.

6. MEANS OF COMMUNICATION:

a) Quarterly un-audited Financial Results were published in the Economic Times, Navbharat Times and Maharashtra Times Newspaper. The half yearly report is not sent separately to the Shareholders. Annual Reports are sent to each shareholder at their Registered Address with the Company. The Company's website is: www.modison.com. The Company has updated the quarterly results on its website and also in other official news.

b) Management Discussion and Analysis Report:

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

7. GENERAL SHAREHOLDER INFORMATION:

a) **30th AGM Date and time: 10th September, 2013**

Time: 11:30 A.M.

Venue: Radio Room, The Bombay Presidency Radio Club Ltd., 157, Arthur Bunder Road, Colaba, Mumbai – 400005.

b) Financial year of the Company April – March each year

c) Book Closure Date: 3rd Sept 2013 to 10th Sept 2013 (Both days inclusive)

d) Listing on Stock Exchanges: BSE Ltd., Mumbai.

- e) Stock Code: 506261 (Bombay Stock Exchange Ltd.)
- f) Payment of annual Listing Listing Fees for the Financial Year: 2012-13 has been paid to the BSE.
- g) Dividend Payment Date: The dividend recommended by the Board of Directors, if declared, in the ensuing AGM should be deposited in a separate Bank Account within 5 days of its declaration and shall be paid by 9th October, 2013 to the Shareholders.
- h) Financial Calendar (provisional):
- | | |
|----------------------------------|------------------------------|
| 1 st Quarterly Result | Second week of August 2013 |
| 2 nd Quarterly Result | Second week of November 2013 |
| 3 rd Quarterly Result | Second week of February 2014 |
| Annual Results | Last week of May 2014 |
- 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. 2012	44.95	40.00	17,664.10	17,010.16
May 2012	51.00	35.40	17,432.33	15,809.71
June 2012	43.50	34.00	17,448.48	15,748.98
July 2012	45.50	40.15	17,631.19	16,598.48
Aug. 2012	43.95	38.50	17,972.54	17,026.97
Sept. 2012	44.85	38.35	18,869.94	17,250.80
Oct. 2012	43.85	39.00	19,137.29	18,393.42
Nov. 2012	49.70	39.55	19,372.70	18,255.69
Dec. 2012	49.40	40.10	19,612.18	19,149.03
Jan. 2013	42.00	35.50	20,203.66	19,508.93
Feb. 2013	39.30	32.20	19,966.69	18,793.97
Mar. 2013	37.90	31.10	19,754.66	18,568.43

- a) Share Transfer System: Trading in Equity Shares of the Company is permitted in dematerialized form. Shares sent for transfer in physical form are registered and returned in a period of fifteen days of the receipt of the document, provided the documents are valid and complete in all respect.
- b) Registrar & Transfer Agent (For physical and Demat) FREEDOM REGISTRY LIMITED
(Formerly AMTRAC MANAGEMENT SERVICES LTD.)
Plot No. 101/102 MIDC, 19th Street, Satpur, Nasik – 422 007
Tel: 95-253-2354032
Fax: 95-253-2351126
Email :amtrac_nsk@sancharnet.in
- j) Distribution of Shareholding As on 31.03.2013

Slab	No. of shareholders		No. of Equity Shares	
	Total	%	Total	%
1 ~ 100	1,140	32.69	73,250	0.22
101 ~ 200	508	14.56	93,305	0.29
201 ~ 500	776	22.24	308,695	0.95
501 ~ 1000	460	13.18	408,257	1.26
1001 ~ 5000	395	11.32	968,973	2.99
5001 ~ 10000	79	2.26	595,430	1.83
10001 & Above	131	3.75	30,002,090	92.46
Total:	3,489	100.00	32,450,000	100.00

k) Shareholding Pattern: As on 31st March, 2013

Category	No. of Equity shares	%
Promoters Holding:		
Promoters	16,545,260	50.99
Non-Promoters Holding		
FII's	50,000	0.15
Mutual Funds	-	-
Private Corporate Bodies	1,654,982	5.10
NRIs / OCBs	1,96,894	0.61
Indian Public	14,002,864	43.15
Total:	32,450,000	100.00

l) Dematerialisation of shares and liquidity: The Equity Shares of Company are dematerialized with National Security Depository Limited and Central Depository Services (India) Limited and the total number of Shares dematerialized as on 31.03.2013 is 32,407,830.

m) Outstanding GDRs / Warrants or any convertible instruments Nil

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

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

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

q) Compliance Certificate by Auditors:

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

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

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

i) Whistle Blower Policy:

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

ii) Other Non-Mandatory requirements:

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

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

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

G. L. MODI
Managing Director

Place: Mumbai
Date : 23rd May, 2013

t) Certification by Chief Executive Officer:

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

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

G. L. MODI
Managing Director

Place: Mumbai

Date : 23rd May, 2013

The above Report was adopted by the Board of Directors at their meeting held on 23rd May, 2013.

ANNEXURE TO THE REPORT OF THE DIRECTORS

**CERTIFICATE FROM AUDITORS REGARDING COMPLIANCE OF CONDITIONS OF
CORPORATE GOVERNANCE.**

To the Shareholders of **MODISON METALS LIMITED**

We have examined the compliance of conditions of Corporate Governance by **MODISON METALS LIMITED** for the year ended on 31st March, 2013, as stipulated in Clause 49 of the Listing Agreement of the said Company with the Stock Exchanges.

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

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

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

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

ASHISH BAIRAGRA
PARTNER
Membership No.109931
Place : Mumbai
Date : 23rd May, 2013

To the Members of MODISON METALS LIMITED**Report on the Financial Statements**

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

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Emphasis of Matter

We draw attention to Note No. 29.1 to the Financial Statements, relating to remuneration provided of Rs. 69,93,549 in respect of Managing director of the company pending the Central Government approval. Our opinion is not qualified in respect of this matter.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India.

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

Report on Other Legal and Regulatory Requirements

As required by the Companies (Auditor's Report) Order, 2003 issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.

As required by section 227(3) of the Act, we report that:

- (i) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
- (ii) in our opinion proper books of accounts as required by law have been kept by the Company so far as appears from our examination of those books;
- (iii) the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of accounts;
- (iv) in our opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement comply with the Accounting Standards referred to in subsection (3C) of section 211 of the Companies Act, 1956;
- (v) on the basis of written representations received from the directors as on March 31, 2013, and taken on record by the Board of Directors, we report that none of the directors is disqualified as on March 31, 2013, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.
- (vi) since the Central Government has not issued any notification as to the rate at which the cess has to be paid u/s 441A of the Companies Act, 1956 nor has it issued any Rules under the said section, prescribing the manner in which such cess is to be paid, no cess is due and payable by the Company.

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

ASHISH BAIRAGRA
PARTNER
Membership No. 109931

Place: Mumbai
Date: 23rd May, 2013

Annexure referred to in Paragraph titled as “Report on Other Legal and Regulatory Requirements” of Auditor’s report to the members of MODISON METALS LIMITED for the year ended March 31, 2013.

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

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

- (viii) The Central Government has prescribed maintenance of cost records under section 209(1)(d) of the Companies Act, 1956. As explained to us such records are at an advanced stage of preparation.
- (ix) According to the records of the Company, the Company is generally regular in depositing undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income Tax, Wealth Tax, Sales Tax, Service Tax, Excise Duty, Customs Duty, Cess and other statutory dues applicable to it with the appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable were outstanding at the year end for a period of more than six months from the date they became payable.

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

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

Name of the Statute	Nature of Dues	Amount (Rs.)	Period to which it relates	Forum where dispute is pending
Central Excise Act, 1944	Service Tax Dues & Penalties	1,90,188	2006-2007 to 2009-2010	Honourable CESTAT
Central Excise Act, 1944	Service Tax Dues & Penalties	13,51,152	2006-07 to 2010-2011	Commissioner of Central Excise (Appeals)

- (x) The Company does not have accumulated losses at the end of the financial year. Further, the Company has not incurred any cash losses during the financial year ended March 31, 2013 and in the immediately preceding financial year ended March 31, 2012.
- (xi) On the basis of our examination of the documents and records and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to banks during the year. The Company has not taken any loans from financial institutions and has not issued debentures during the year.
- (xii) On the basis of our examination of the documents and records and according to the information and explanation given to us, the Company has not granted any loans and advances during the year on the basis of security by way of pledge of shares, debentures and other securities. Accordingly, clause 4 (xii) of the Order is not applicable to the Company.
- (xiii) In our opinion and according to the information and explanations given to us, the nature of activities of the Company does not attract any special statute applicable to chit fund and nidhi / mutual benefit fund / societies. Accordingly, clause 4 (xiii) of the Order is not applicable to the Company.
- (xiv) In our opinion and according to the information and explanation given to us, the company is not dealing or trading in shares, securities, debentures and other investments. Accordingly, clause 4 (xiv) of the Order is not applicable to the Company.
- (xv) According to the information and explanation given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions. Accordingly, clause 4 (xv) of the Order is not applicable to the Company.
- (xvi) On the basis of our examination of the documents and records and according to the information and explanations given to us, we are of the opinion that term loans have been applied for the purposes for which they were obtained.
- (xvii) According to the information and explanations given to us and on an overall examination of the Financial Statements of the Company, we are of the opinion that no funds raised on short-term basis have been used for long-term investment by the Company.

- (xviii) The Company has not made any preferential allotment of shares to parties or companies covered in the register maintained under Section 301 of the Companies Act, 1956.
- (xix) The Company has not issued any debentures during the year.
- (xx) The Company has not raised any money by way of public issue during the year.
- (xxi) Based upon the audit procedures performed by us and according to the information and explanations given by the management, no fraud on or by the Company has been noticed or reported during the year.

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

ASHISH BAIRAGRA
PARTNER
Membership No. 109931

Place: Mumbai
Date: 23rd May, 2013

BALANCE SHEET AS AT 31ST MARCH, 2013

Particulars	Note No.	As at March31, 2013 Rupees	As at March31, 2012 Rupees
I EQUITY AND LIABILITIES			
(1) Shareholder's funds			
(a) Share capital	1	32,450,000	32,450,000
(b) Reserves & surplus	2	852,231,078	825,267,014
(2) Non-current liabilities			
(a) Long - term borrowings	3	29,625,603	24,303,515
(b) Deferred tax liabilities (Net)	4	76,850,400	64,668,528
(c) Long - term provisions	5	4,150,960	3,702,251
(3) Current liabilities			
(a) Short - term borrowings	6	178,340,266	145,726,028
(b) Trade payables	7	30,069,414	27,841,275
(c) Other current liabilities	8	192,419,219	160,963,329
(d) Short - term provisions	9	40,387,760	39,237,225
TOTAL		1,436,524,700	1,324,159,165
II ASSETS			
(1) Non - current assets			
(a) Fixed assets	10		
(i) Tangible assets		603,511,211	528,783,649
(ii) Intangible assets		4,658,259	4,215,967
(iii) Capital work - in - progress		12,697,853	14,356,254
(b) Long - term loans and advances	11	48,634,483	52,835,111
(2) Current assets			
(a) Inventories	12	463,437,641	497,291,360
(b) Trade receivables	13	197,738,481	161,104,040
(c) Cash and bank balances	14	87,257,587	16,820,696
(d) Short - term loans and advances	15	16,626,722	47,763,392
(e) Other current assets	16	1,962,463	988,696
TOTAL		1,436,524,700	1,324,159,165
Contingent Liabilities and commitments	17		

NOTES ON ACCOUNTS

1 to 38

The notes form an integral part of these Financial Statements.

As per our report of attached even date.

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

FOR AND ON BEHALF OF THE BOARD

ASHISH BAIRAGRA
PARTNER
MEMBERSHIP NO.109931

G.L. MODI
MANAGING DIRECTOR

SURESH MODY
DIRECTOR

PLACE : MUMBAI
DATED : 23RD MAY, 2013

PLACE : MUMBAI
DATED : 23RD MAY, 2013

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

Particulars	Note No.	For the year ended 31st March, 2013 Rupees	For the year ended 31st March, 2012 Rupees
<u>INCOME:</u>			
Revenue from operations	18	1,591,077,779	1,626,005,763
Other income	19	6,715,916	6,313,463
Total Revenue		1,597,793,696	1,632,319,226
<u>EXPENSES:</u>			
Cost of material consumed	20	1,171,248,621	1,193,191,071
Changes in inventories of finished goods and work - in - progress	21	(6,886,428)	(100,059,058)
Employee benefits expense	22	83,081,967	67,442,506
Finance costs	23	31,569,591	26,935,007
Depreciation & amortization expense (Refer Note No.10.2)	10	60,457,617	52,631,450
Other expenses	24	155,506,846	155,496,834
Total Expenses		1,494,978,214	1,395,637,810
Profit before exceptional and extraordinary items & tax		102,815,481	236,681,416
Exceptional items		-	-
Profit before extraordinary items and tax		102,815,481	236,681,416
Extraordinary items		-	-
Profit before tax		102,815,481	236,681,416
Less: Tax expenses			
(1) Current tax			
of Current year		25,000,000	75,200,000
of Earlier years		33,447	(27,932)
(2) Deferred tax		12,181,872	1,665,823
Profit for the period		65,600,162	159,843,525
Earning per equity share:	25		
(1) Basic		2.02	4.93
(2) Diluted		2.02	4.93

NOTES ON ACCOUNTS
1 to 38

The notes form an integral part of these Financial Statements.

As per our report of attached even date.

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

FOR AND ON BEHALF OF THE BOARD

ASHISH BAIRAGRA
PARTNER
MEMBERSHIP NO.109931

G.L. MODI
MANAGING DIRECTOR

SURESH MODY
DIRECTOR

PLACE : MUMBAI
DATED : 23RD MAY, 2013

PLACE : MUMBAI
DATED : 23RD MAY, 2013

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2013

	2012-13 RUPEES	2011-12 RUPEES
A) CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit before tax & Extraordinary Items	102,815,481	236,681,416
Adjustment for:		
Dividend Income on Long Term Non trade investments	-	(58,156)
Depreciation /Amortisation	60,457,617	52,631,450
Interest income	(805,197)	(616,191)
Interest expense	27,532,807	22,532,838
(Profit)/Loss on Sale of Long term Non trade investment	-	(1,698)
(Profit)/Loss on Sale of Assets/Discarded Assets (Net)	1,791,303	7,569,264
Sundry Balances written off/(back) (net)	(268,906)	(43,082)
Unrealised Exchange Rate Fluctuation (Net)	581,005	(2,270,813)
	<u>192,104,110</u>	<u>316,425,028</u>
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES		
ADJUSTMENTS FOR WORKING CAPITAL CHANGES :		
Trade Receivables	(37,264,941)	(20,391,897)
Inventories	33,853,719	(114,436,251)
Other Current Assets	(817,923)	(107,233)
Loans & Advances	33,157,599	(60,700,156)
Current Liabilities and Provision	50,699,873	28,918,136
	<u>79,628,327</u>	<u>(166,717,401)</u>
Cash Generated from Operations	271,732,437	149,707,627
Direct Taxes paid	(33,573,453)	(88,829,891)
NET CASH FROM OPERATING ACTIVITIES	<u>238,158,984</u>	<u>60,877,736</u>
B) CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets including advances for capital goods	(124,067,939)	(147,399,188)
Sale of Fixed Assets	1,845,715	5,445,389
Purchase of Non Trade Investments	-	(30,000,000)
Sale of Non Trade Investments	-	30,001,698
Interest Received	649,353	609,642
Dividend Received	-	(141,284,303)
	<u>(121,572,871)</u>	<u>(141,284,303)</u>
NET CASH USED IN INVESTING ACTIVITY		
C) CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from Borrowings (Net)	22,977,330	132,219,658
Interest Paid	(28,440,478)	(21,426,206)
Dividend Paid (Inclusive of Dividend Distribution Tax)	(37,730,389)	(37,645,167)
	<u>(43,193,537)</u>	<u>73,148,285</u>
NET CASH USED IN FINANCING ACTIVITY		
NET CHANGES IN CASH & CASH EQUIVALENTS(A+B+C)	<u><u>73,392,577</u></u>	<u><u>(7,258,282)</u></u>
OPENING BALANCE OF CASH & CASH EQUIVALENTS	1,414,259	8,672,541
CLOSING BALANCE OF CASH & CASH EQUIVALENTS	<u>74,806,836</u>	<u>1,414,259</u>
	<u><u>73,392,577</u></u>	<u><u>(7,258,282)</u></u>

Notes
Closing Balance of Cash & Cash Equivalents

1 Cash and Cash Equivalents Includes:		
<u>BALANCE WITH SCHEDULED BANKS</u>		
In Current Account	1,171,608	1,280,091
CASH ON HAND	171,752	134,168
CHEQUES IN HAND	73,463,476	-
	<u>74,806,836</u>	<u>1,414,259</u>

2 Interest received excludes interest received on account of income tax refund of Rs. 1,49,302/- (Previous Year Rs. 1,18,058/-) and interest on account of customers of Rs 2,31,382/- (Previous Year Rs. 2,09,313/-), which has been considered from operational activities of the company.

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

As per our report of attached even date.

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

FOR AND ON BEHALF OF THE BOARD

ASHISH BAIRAGRA
PARTNER
MEMBERSHIP NO.109931

G.L. MODI
MANAGING DIRECTOR

SURESH MODY
DIRECTOR

PLACE : MUMBAI
DATED : 23RD MAY, 2013

PLACE : MUMBAI
DATED : 23RD MAY, 2013

NOTES ON ACCOUNTS

Amount in Rs.

1 SHARE CAPITAL

Particulars	As at	As at
	March 31,2013	March 31,2012
Authorized Shares		
32,500,000 Equity shares, Re. 1/- par value (Previous Year 32,500,000 equity shares Re. 1/- par value)	32,500,000	32,500,000
	<u>32,500,000</u>	<u>32,500,000</u>
Issued, Subscribed and Fully Paid Up Shares		
32,450,000 Equity shares, Re. 1/- par value (Previous Year 32,450,000 equity shares Re. 1/- par value)	32,450,000	32,450,000
	<u>32,450,000</u>	<u>32,450,000</u>
Total Issued, Subscribed and Fully Paid Up Share Capital	<u>32,450,000</u>	<u>32,450,000</u>

Note No 1.1: The reconciliation of the number of shares outstanding at the beginning and at the end of reporting period 31-03-2013 :

Particulars	As at	As at
	March 31,2013	March 31, 2012
Number of shares at the beginning	32,450,000	32,450,000
Add: Shares issued during the year	-	-
Less : Shares bought back	-	-
Number of shares at the end	<u>32,450,000</u>	<u>32,450,000</u>

Note No 1.2: Terms/rights attached to equity shares

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

(B) The amount of dividend per share of Re. 1.00 (Previous Year Re. 1.00) has been proposed to be distributed to equity shareholders for the year ended 31/03/2013. The total amount of dividend shall be Rs. 3,79,64,878/- including dividend distribution tax Rs. 55,14,878/- (Previous Year Rs. 3,77,14,201/- including dividend distribution tax of Rs. 52,64,201/-).

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

Note No 1.3: Details of sub-division of shares during the period of five years immediately preceding the reporting date :

In the Financial Year 2007-08, 32,45,000 Equity Shares of Rs.10 each fully paid were sub-divided into 3,24,50,000 Equity Shares of Re.1 each fully paid up.

Note No 1.4: The details of shareholders holding more than 5% shares in the company :

Name of the shareholders	No. of shares	% held as at	No. of shares	% held as at
	held	March 31, 2013	held	March 31, 2012
Mr. G.L. Modi	7,158,370	22.06%	7,158,370	22.06%
Mr. Rajkumar Modi	6,673,210	20.56%	6,673,210	20.56%
Mr. Prakashchandra Modi	4,660,488	14.36%	4,660,488	14.36%
Mr. Kumar Jay Modi	1,746,000	5.38%	1,746,000	5.38%

2 RESERVES & SURPLUS

Particulars	As at	As at
	March 31,2013	March 31, 2012
Capital Reserve		
As per last Balance Sheet	19,087,980	19,087,980
Revaluation Reserve		
Opening Balance	5,039,062	6,070,053
Less : Recoupment of depreciation on revalued assets	671,220	774,761
Less : Transfer to General reserve on sale of assets	74,592	254,087
Less : Loss on sale of revalued fixed assets	-	2,143
Closing Balance	<u>4,293,250</u>	<u>5,039,062</u>
General Reserve		
Opening Balance	94,094,171	77,855,084
Add: Transferred from surplus	6,700,000	15,985,000
Add: Transferred from revaluation reserve on sale of assets	74,592	254,087
Closing Balance	<u>100,868,763</u>	<u>94,094,171</u>
Surplus		
Opening Balance	707,045,801	600,901,477
Add: Transferred from Statement of Profit and Loss	65,600,162	159,843,525
Amount available for appropriation	<u>772,645,963</u>	<u>760,745,002</u>
Less : Appropriations		
Proposed Dividend	32,450,000	32,450,000
Dividend Distribution Tax on Proposed Dividend	5,514,878	5,264,201
Amount transferred to General Reserve	6,700,000	15,985,000
Closing Balance	<u>727,981,085</u>	<u>707,045,801</u>
Total of Reserves & Surplus	<u>852,231,078</u>	<u>825,267,014</u>

3 LONG -TERM BORROWINGS

Particulars	As at	As at
	March 31,2013	March 31, 2012
Secured Loan		
Term Loans		
From Bank		
Rupee Loan (Refer Note No. 3.1a, 3.1b)	29,625,603	21,495,398
Vehicle Loans (Refer Note No. 3.2)	-	1,306,758
From Others		
Vehicle Loans (Refer Note No. 3.3)	-	1,501,359
	29,625,603	24,303,515

Notes on Terms of Repayment and Nature of Securities in respect of Term Loans

(3.1a) Rupee loan from Bank of India amounting to Rs. Nil /- (Previous Year : Rs. 49,62,607/-) carried interest rate of 13 to 13.50%p.a and was repayable in 11 quarterly installments. This loan facility was secured by first pari pasu charge on all (present and future) factory fixed assets of the company including equitable mortgage on the factory land and building at Vapi.

(3.1b) Rupee loan from Bank of India amounting to Rs.2,96,25,603/- (Previous Year : Rs.1,65,32,791) carries interest rate of 13 to 13.50% p.a and was repayable in 18 quarterly installments. This loan facility was secured by first pari pasu charge on all (present and future) factory fixed assets of the company including equitable mortgage on the factory land and building at Vapi.

(3.2) Vehicle loan taken from Axis Bank carried interest rate @ 9.32% and was repayable in 36 monthly installments. The loan was secured by hypothecation of Vehicle.

(3.3) Vehicle loan taken from BMW Financial Services carried interest rate @9.31% and was repayable in 36 monthly installment. The loan was secured by hypothecation of Vehicle.

4 DEFERRED TAX LIABILITIES (NET)

Particulars	As at	As at
	March 31,2013	March 31, 2012
Deferred tax liabilities		
On account of difference between depreciation as per books and as per Income Tax Act, 1961	79,536,974	66,151,119
	79,536,974	66,151,119
Less: Deferred tax assets		
On account of expenses allowable on payment basis	1,697,497	1,482,591
On account of allowance for bad & doubtful debts	989,077	-
	2,686,574	1,482,591
Net Deferred Tax Liabilities	76,850,400	64,668,528

5 LONG-TERM PROVISIONS

Particulars	As at	As at
	March 31,2013	March 31, 2012
Provisions for Employee Benefits		
Provision for Gratuity	4,150,960	3,702,251
	4,150,960	3,702,251

6 SHORT-TERM BORROWINGS

Particulars	As at	As at
	March 31,2013	March 31, 2012
Secured Loans		
Other loans & advances (Refer Note No. 6.1)		
Form Bank		
Foreign Currency Loan	74,847,077	74,925,410
Rupee Loan	103,493,189	70,800,618
	178,340,266	145,726,028

Note No. 6.1:

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

7 TRADE PAYABLES

Particulars	As at	As at
	March 31,2013	March 31, 2012
Sundry Creditors For Goods (Refer Note No. 7.1)	525,133	3,769,779
Sundry Creditors For Expenses (Refer Note No. 7.1)	29,544,281	24,071,496
	30,069,414	27,841,275

Note No. 7.1:

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

NOTES ON ACCOUNTS

Amount in Rs.

8 OTHER CURRENT LIABILITIES

Particulars	As at	As at
	March 31, 2013	March 31, 2012
Current Maturities of Long Term Debt	30,388,505	45,197,918
Interest Accrued but not due on borrowings	476,510	1,384,181
Unpaid Dividend	429,359	445,547
<u>Other payables</u>		
Sundry Creditors for Capital Goods	4,096,693	3,633,977
Advances From Customers	151,567,508	105,114,383
Statutory Dues Payable	5,413,144	5,127,323
Others	47,500	60,000
	192,419,219	160,963,329

9 SHORT - TERM PROVISIONS

Particulars	As at	As at
	March 31, 2013	March 31, 2012
<u>Provision for Employee Benefits</u>		
Provision for Gratuity	1,349,220	571,740
Provision for Leave Salary	994,699	894,734
<u>Others</u>		
Provision For Taxation	78,963	56,550
Proposed Dividend	32,450,000	32,450,000
Dividend Distribution Tax	5,514,878	5,264,201
	40,387,760	39,237,225

11 LONG - TERM LOANS AND ADVANCES

Particulars	As at	As at
	March 31, 2013	March 31, 2012
(Unsecured, Considered Good, unless specified otherwise)		
Capital Advances	29,880,242	43,626,894
Deposits	4,533,565	4,108,608
<u>Other Loans & Advances</u>		
Advance recoverable in cash or kind or for value to be received	118,020	188,393
Advance Tax (Net of Provision for Taxation Rs. 17,87,63,924/- (Previous Year Rs.20,78,62,848/-))	13,432,531	4,386,216
Loans and Advances to Employees	670,125	525,000
	48,634,483	52,835,111

12 INVENTORIES

Particulars	As at	As at
	March 31, 2013	March 31, 2012
Raw Material (Refer Note No. 12.1)	51,535,049	92,983,861
Work-in-progress	391,700,467	392,032,963
Finished Goods	11,753,924	3,393,076
Stores & Spares	251,681	67,364
Consumable Tools	1,112,188	591,152
Scrap	7,054,020	8,195,944
Packing Material	30,312	27,000
	463,437,641	497,291,360

Note No. 12.1: Goods in transit

Raw Material includes goods in transit Rs. 7,63,700/- (Previous Year Rs. Nil /-)

13 TRADE RECEIVABLES

Particulars	As at	As at
	March 31, 2013	March 31, 2012
(Unsecured)		
<u>Outstanding for more than six months</u>		
Considered Good	4,649,688	6,955,981
Considered Doubtful	2,909,906	-
	7,559,594	6,955,981
Less: Allowance for Doubtful Debts	2,909,906	-
	4,649,688	6,955,981
Others Debts Considered Good	193,088,793	154,148,059
	197,738,481	161,104,040

NOTES ON ACCOUNTS

10 FIXED ASSETS

PARTICULARS	GROSS BLOCK				DEPRECIATION & AMORTISATION				NET BLOCK	
	AS ON 01.04.2012	ADDITION DURING THE YEAR	DEDUCTION DURING THE YEAR	AS AT 31.03.2013	AS ON 01.04.2012	FOR THE YEAR	DEDUCTION DURING THE YEAR	AS AT 31.03.2013	AS AT 31.03.2013	AS AT 31.03.2012
TANGIBLES ASSETS :										
Leasehold Land	9,446,414	-	-	9,446,414	-	-	-	-	9,446,414	9,446,414
Building (Note No. 10.1)	86,229,660	983,553	-	87,213,213	22,903,392	3,569,266	-	26,472,658	60,740,555	63,326,269
Building (SF6 , Plot No. 85 B and Plot No. 85 D&E)	60,895,683	7,864,864	-	68,760,547	15,141,984	2,230,362	-	17,372,346	51,388,201	45,753,699
Plant & Machinery	397,648,341	37,839,571	6,426,776	429,061,136	173,825,627	34,440,055	4,930,828	203,334,854	225,726,282	223,822,715
Plant & Machinery (SF6)	266,365,673	86,209,111	5,728,177	346,846,607	101,923,876	13,350,820	4,000,065	111,274,631	235,571,976	164,441,798
Furniture & Fixture	9,589,244	1,237,697	-	10,826,941	5,995,055	764,198	-	6,759,253	4,067,688	3,594,188
Vehicles	22,541,706	2,611,851	2,450,852	22,702,705	9,266,825	3,806,953	2,037,894	11,035,884	11,666,821	13,274,881
Office Equipment	21,284,539	1,443,276	-	22,727,815	16,160,854	1,663,687	-	17,824,541	4,903,274	5,123,685
TOTAL TANGIBLE ASSETS	874,001,260	138,189,923	14,605,805	997,585,378	345,217,613	59,825,341	10,968,787	394,074,167	603,511,211	528,783,649
PREVIOUS YEAR	760,629,209	136,330,447	22,958,396	874,001,260	302,221,310	52,937,901	9,941,600	345,217,613	528,783,649	
INTANGIBLES ASSETS :										
Computer Software	4,797,821	1,745,786	-	6,543,607	662,720	1,222,628	-	1,885,348	4,658,259	4,135,101
Technical Know How	808,687	-	-	808,687	727,819	80,868	-	808,687	-	80,866
TOTAL INTANGIBLE ASSETS	5,606,508	1,745,786	-	7,352,294	1,390,539	1,303,496	-	2,694,035	4,658,259	4,215,967
PREVIOUS YEAR	2,648,921	2,957,587	-	5,606,508	922,231	468,310	-	1,390,539	4,215,967	
C W I P - TANGIBLE										
Current Year	-	-	-	-	-	-	-	-	12,697,853	-
Previous Year	-	-	-	-	-	-	-	-	-	14,356,254

Note No. 10.1: Buildings

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

Note No. 10.2: Depreciation & amortization expense

	2012-13	2011-12
Depreciation & amortization expense	61,128,837	53,406,211
Less : Recoupment from revaluation reserve	671,220	774,761
	60,457,617	52,631,450

14 CASH & BANK BALANCES

Particulars	As at	As at
	March 31, 2013	March 31, 2012
Cash & Cash Equivalents		
<u>Balance with Banks</u>		
In Current account	1,171,608	1,280,091
Cash on Hand	171,752	134,168
Cheques in Hand	73,463,476	-
Other Bank Balances		
<u>Balance with Banks</u>		
Unpaid Dividend account	429,359	445,547
Margin Money Deposits [Refer Note No. 14.1)	12,021,392	14,960,890
	87,257,587	16,820,696

Note No. 14.1:

* Margin Money deposits amounting to Rs. 1,20,21,392/- (Previous Year Rs. 1,49,60,890/-) are lying with Bank towards Bank Guarantees, Forward Margin and Letters of Credit.

15 SHORT TERM LOANS & ADVANCES

Particulars	As at	As at
	March 31, 2013	March 31, 2012
(Unsecured, Considered Good, unless specified otherwise)		
Deposits	251,821	238,135
<u>Others</u>		
Advances recoverable in cash or kind or for value to be received	5,560,721	7,337,855
Advance Tax	652,164	1,136,060
Balance with Central Excise	4,219,021	7,355,480
Advances to Suppliers	4,550,817	30,784,968
Loans and Advances to Employees	1,392,178	910,894
	16,626,722	47,763,392

16 OTHER CURRENT ASSETS

Particulars	As at	As at
	March 31, 2013	March 31, 2012
Interest Receivable	626,628	470,784
Duty Drawback Receivable	642,578	338,104
Insurance Claim Receivable	623,355	63,192
Other Receivable	69,902	116,616
	1,962,463	988,696

17 CONTINGENT LIABILITIES AND COMMITMENTS
a) CONTINGENT LIABILITIES

Particulars	As at	As at
	March 31, 2013	March 31, 2012
Disputed Income Tax Liabilities	-	1,312,740
Disputed Service Tax Liabilities	1,641,926	2,410,252
Bond issued under Advance Licence Scheme	4,492,461	1,670,761
Bond issued under Export Promotion Capital Goods Scheme	15,790,871	793,194
	21,925,258	6,186,947

b) COMMITMENTS

Particulars	As at	As at
	March 31, 2013	March 31, 2012
Estimated amounts of Contracts remaining to be executed on Capital account and not provided for (Net of Advances)	30,508,587	71,048,449
	30,508,587	71,048,449

NOTES ON ACCOUNTS
18 REVENUE FROM OPERATIONS

Particulars	Amount in Rs.	
	Year ended March 31, 2013	Year ended March 31, 2012
Sale of Products (Refer Note No. 18.1)	1,745,034,465	1,757,466,330
Sale of Services (Refer Note No. 18.2)	66,659	174,771
Other Operating Revenue	-	2,172,108
Profit on Hedging Contracts (Net)	-	1,597,304
Duty Draw Back Received	2,278,607	
Less : Excise Duty	156,301,952	135,404,750
	1,591,077,779	1,626,005,763

Note No 18.1 : Sale of Products

Particulars	2012-2013	2011-2012
Electrical Contacts	1,660,928,973	1,668,690,416
Others	84,105,492	88,775,914
	1,745,034,465	1,757,466,330

Note No 18.2 : Sale of Services

Particulars	2012-2013	2011-2012
Job Work	66,659	174,771
	66,659	174,771

19 OTHER INCOME

Particulars	Year ended	
	March 31, 2013	March 31, 2012
Interest Income (Refer Note No 19.1)	1,566,565	943,562
Dividend Income on Long Term Non trade investments	-	58,156
Profit on Sale of Long Term Non trade investments	-	1,698
Foreign Exchange Fluctuation (Net)	3,894,793	5,247,713
Miscellaneous Income	1,254,558	62,334
	6,715,916	6,313,463

Note No. 19.1 : Break-up of Interest income

Particulars	2012-2013	2011-2012
Interest income on deposits with banks & others	1,185,881	616,191
Interest income on income tax refund	149,302	118,058
Interest income from customers	231,382	209,313
	1,566,565	943,562

20 COST OF MATERIAL CONSUMED

Particulars	Year ended	
	March 31, 2013	March 31, 2012
RAW MATERIAL CONSUMED		
Opening Stock of Raw Material	92,983,861	76,947,209
Add : Purchases of Raw Material	1,135,522,190	1,209,236,003
	1,228,506,051	1,286,183,212
Less : Sale of Raw Material	6,486,081	8,280
Less : Closing Stock of Raw Material	50,771,349	92,983,861
Cost of Materials Consumed (Refer Note No. 20.1 & Note No. 30)	1,171,248,621	1,193,191,071

Note No. 20.1 : Cost of Material Consumed

Particulars	2012-2013	2011-2012
Silver	812,899,232	817,163,394
Tungsten Metal Powder	129,658,510	100,067,195
Copper Chromium/Zirconium Rod/Tube	99,608,967	120,298,918
ETP Cu Flat/Rod/Tube/Strips	61,221,216	88,382,397
Others	67,860,695	67,279,167
	1,171,248,621	1,193,191,071

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

Particulars	Year ended		Year ended	
	March 31, 2013		March 31, 2012	
Finished Goods				
Opening Stock	3,393,076		1,377,792	
Closing Stock	11,753,924	(8,360,848)	3,393,076	(2,015,284)
Work-in- Progress				
Opening Stock	392,032,963		290,469,139	
Closing Stock	391,700,467	332,496	392,032,963	(101,563,824)
Scrap				
Opening Stock	8,195,944		11,715,994	
Closing Stock	7,054,020	1,141,924	8,195,944	3,520,050
			(6,886,428)	(100,059,058)

NOTES ON ACCOUNTS
22 EMPLOYEE BENEFITS EXPENSE (Refer Note No. 29.1)

Particulars	Year ended	Year ended
	March 31, 2013	March 31, 2012
Salaries & Wages	76,977,605	62,278,904
Contribution to Provident & Other Funds	3,400,028	3,056,323
Staff Welfare Expenses	2,704,334	2,107,279
	83,081,967	67,442,506

23 FINANCE COSTS

Particulars	Year ended	Year ended
	March 31, 2013	March 31, 2012
Interest Expense (Refer Note No. 23.1)	27,532,807	22,532,838
<u>Other Borrowing Cost</u>		
Bank Finance Cost	4,036,784	4,402,169
	31,569,591	26,935,007

Note No. 23.1 : Break-up of Interest Expense

	2012-2013	2011-2012
Interest expense on bank borrowings	27,143,256	22,233,811
Interest expense on vehicle loan from others	389,551	299,027
	27,532,807	22,532,838

24 OTHER EXPENSES

Particulars	Year ended	Year ended
	March 31, 2013	March 31, 2012
Consumption of Stores and Spares (Note No. 30)	12,770,378	12,284,666
Consumable Tools & Dies	9,342,479	13,439,119
Packing Expenses	1,870,054	2,272,011
Power & fuel	31,349,215	27,804,460
Processing & Labour Charges	14,971,318	14,613,179
<u>Repairs and Maintenance</u>		
Buildings	854,531	765,065
Machinery	16,321,374	14,741,828
Others	1,939,833	1,750,214
Insurance	1,584,819	2,064,775
Rent, Rates and taxes	1,358,357	1,067,682
Advertisement & Sales Promotion	1,294,883	675,798
Bank Charges	1,969,294	2,962,830
Commission on Sales	10,017,631	11,263,379
Payment to Statutory Auditor (Refer Note No. 24.1)	372,247	348,655
Electricity Expenses	285,654	92,214
Royalty	434,425	-
Travelling and Conveyance Expenses	7,160,979	8,489,621
Legal & Professional Charges	6,371,885	3,345,521
Telephone & Telex Expenses	1,210,784	1,020,318
Vehicle Expenses	2,684,208	2,024,910
Loss on Hedging Contracts (Net)	716,104	-
Loss on Sale of Fixed Assets (net)	1,791,303	7,569,264
In house R&D Expenses	349,272	114,523
Donation	3,237,500	2,526,250
Allowance for Doubtful Debts	2,909,906	-
Miscellaneous Expenses	22,338,415	24,260,549
	155,506,846	155,496,834

Note No. 24.1 : Payment to Statutory Auditors

As Auditor		
Audit Fees	175,000	175,000
Tax Audit Fees	85,000	85,000
Limited Review Fees	54,000	36,000
Service Tax *	38,810	35,844
<u>In other capacity</u>		
Company law Matters	-	10,000
Certification and Other Services	58,000	42,500
Service Tax *	7,020	5,253
	417,830	389,597

* Out of above Service Tax credit of Rs.45,583/- (Previous Year Rs. 40,942/-) has been taken and the same has not been debited to Statement of Profit and Loss.

25 EARNING PER SHARE

Particulars	Year ended	Year ended
	March 31, 2013	March 31, 2012
Profit attributable to Equity Shareholders (Rs.)	65,600,162	159,843,525
No. of Equity Share outstanding during the year (Nos.)	32,450,000	32,450,000
Face Value of each Equity Share (Rs.)	1	1
Basic & Diluted Earning Per Share (Rs.)	2.02	4.93

NOTES ON ACCOUNTS
26 EMPLOYEE BENEFITS

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

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

A) Defined Contribution Plan

Particulars	2012-13	2011-12
Contribution to Provident Fund	2,071,440	1,826,246

B) Defined Benefit Plan

Sr.No.	Particulars	2012-13		2011-12	
		Leave Encashment	Gratuity	Leave Encashment	Gratuity
		Rs.	Rs.	Rs.	Rs.
I Assumptions					
(a) Discount Rate	8.00%	8.00%	8.00%	8.00%	
(b) Salary Escalation	4.00%	4.00%	4.00%	4.00%	
II Changes in present value of obligations					
(a) Present value of obligations as at the beginning of year	873,214	5,829,114	729,342	5,036,518	
(b) Interest cost	69,857	466,329	58,347	402,921	
(c) Current Service Cost	130,579	561,730	121,284	485,199	
(d) Benefits Paid	(118,207)	(223,738)	(47,040)	(238,258)	
(e) Actuarial gain on obligations	124,015	1,044,378	11,281	142,734	
(f) Present value of obligations as at the end of year	1,079,458	7,677,813	873,214	5,829,114	
III Changes in the fair value of plan assets					
(a) Fair value of plan assets at the beginning of year	747,692	5,257,374	642,288	4,655,590	
(b) Expected return on plan assets	74,054	538,466	65,390	441,682	
(c) Contributions	125,522	756,491	87,054	398,360	
(d) Benefits paid	(118,207)	(223,738)	(47,040)	(238,258)	
(e) Actuarial gain on Plan assets	-	-	-	-	
(f) Fair value of plan assets at the end of year	829,061	6,328,593	747,692	5,257,374	
IV Fair value of plan assets					
(a) Fair value of plan assets at the beginning of year	747,692	5,257,374	642,288	4,655,590	
(b) Actual return on plan assets	74,054	538,466	65,390	441,682	
(c) Contributions	125,522	756,491	87,054	398,360	
(d) Benefits Paid	(118,207)	(223,738)	(47,040)	(238,258)	
(e) Fair value of plan assets at the end of year	829,061	6,328,593	747,692	5,257,374	
(f) Funded status	(250,397)	(1,349,220)	(125,522)	(571,740)	
(g) Excess of Actual over estimated return on plan assets	-	-	-	-	
(Actual rate of return = Estimated rate of return as ARD falls on 31st March)					
V Actuarial Gain/Loss recognized					
(a) Actuarial gain for the year -Obligation	(124,015)	(1,044,378)	(11,281)	(142,734)	
(b) Actuarial gain for the year - plan assets	-	-	-	-	
(c) Total gain for the year	124,015	1,044,378	11,281	142,734	
(d) Actuarial gain recognized in the year	124,015	1,044,378	11,281	142,734	
VI The amounts to be recognized in the balance sheet and statements of Profit and Loss					
(a) Present value of obligations as at the end of the year	1,079,458	7,677,813	873,214	5,829,114	
(b) Fair value of plan assets as at the end of the year	829,061	6,328,593	747,692	5,257,374	
(c) Funded status	(250,397)	(1,349,220)	(125,522)	(571,740)	
(d) Net liability/(asset) recognized in balance sheet	250,397	(1,349,220)	125,522	571,740	
VII Expenses Recognised in statement of Profit & Loss					
(a) Current Service cost	130,579	561,730	121,284	485,199	
(b) Interest Cost	69,857	466,329	58,347	402,921	
(c) Expected return on plan assets	(74,054)	(538,466)	(65,390)	(441,682)	
(d) Net Actuarial gain recognised in the year	124,015	1,044,378	11,281	142,734	
(e) Expenses recognised in statement of Profit & Loss Account	250,397	1,533,971	125,522	589,172	

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

27 SEGMENT REPORTING

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

Particulars	2012 - 13		2011 - 12	
	Within India	Outside India	Within India	Outside India
Segment Revenue	1,308,568,464	282,509,315	1,355,177,105	270,828,658
Segment Assets	1,373,517,256	65,694,018	1,262,116,123	63,525,633
Addition Fixed Assets	139,935,709	-	139,288,034	-

NOTES ON ACCOUNTS
**28 Derivatives:
HEDGED:**

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

Particulars	As on 31.03.2013		As on 31.03.2012		Foreign Currency
	Amount in Rs.	Amount in Foreign Currency	Amount in Rs.	Amount in Foreign Currency	
Loan Liabilities & Interest accrued there on	-	-	8,534,010	176,000	CHF
Loan Liabilities & Interest accrued there on	-	-	6,395,297	91,453	EURO
Loan Liabilities & Interest accrued there on	-	-	87,594,644	1,708,183	USD
Loan Liabilities & Interest accrued there on	16,391,891	28,184,131	-	-	JPY

UNHEDGED:

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

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

Particulars	As on 31.03.2013		As on 31.03.2012		Foreign Currency
	Amount in Rs.	Amount in Foreign Currency	Amount in Rs.	Amount in Foreign Currency	
Amount Receivable	42,746,234	621,402	42,151,501	623,727	EUR
	1,117,074	13,681	1,376,051	16,982	GBP
	21,830,710	403,674	19,998,081	393,199	USD

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

Particulars	As on 31.03.2013		As on 31.03.2012		Foreign Currency
	Amount in Rs.	Amount in Foreign Currency	Amount in Rs.	Amount in Foreign Currency	
Amount Payable	99,472	1,423	-	-	EUR
	9,697,502	177,780	11,096,543	216,307	USD
Loan Liability	613,017	74,095	-	-	GBP
	51,778,860	949,200	-	-	USD
Interest accrued but not due	266,779	4,890	228,864	4,461	USD
	43,168	521	-	-	GBP

NOTES ON ACCOUNTS
29 RELATED PARTY DISCLOSURES

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

1. Enterprises over which key management personnel and relative of such personnel have significant influence

- i) Modicon Pvt. Ltd.
- ii) Modison Copper Pvt. Ltd.
- iii) Disha Innovative Solutions Pvt. Ltd.
- iv) Modison

2. Key Management Personnel

- i) Mr. G. L. Modi Managing Director
- ii) Mr. Rajkumar Modi Wholetime Director

3. Relatives of Key Management Personnel

- i) Mr. Kumar Jay Modi Son of Mr. G. L. Modi
- ii) Mrs. Chandramani Devi Modi Mother of Mr. Rajkumar Modi

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

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

S.No.	Related parties	Nature of Transactions during the year	2012-13	2011-12
			(Rs.)	(Rs.)
1	Mr. G.L. Modi (Refer Note No. 29.1)	Remuneration Paid (including Other benefits)	12,878,734	8,609,693
2	Mr. Rajkumar Modi	Remuneration Paid (including Other benefits)	2,831,182	2,917,212
3	Mr. Kumar Jay Modi	Rent Paid	72,000	51,000
		Salary Paid (including Other benefits)	1,777,418	248,370
4	Mrs. Chandramani Devi Modi	Rent Paid	300,000	210,000
5	Modicon Pvt. Ltd.	Purchase of Goods	995,884	83,433,621
		Sale of Goods	5,688,629	4,960,274
		Service Rendered	-	289,028
		Service Received	1,701,592	7,045,565
6	Modison Copper Pvt. Ltd.	Purchase of Goods	158,984,842	152,288,097
		Sale of Goods	64,362,790	36,101,689
		Purchase of Fixed assets	105,570	12,130
		Sale of Fixed assets	229,500	4,523,930
		Service Rendered	66,658	107,864
7	Disha Innovative Solutions Pvt. Ltd.	Service Received	591,281	686,443
		Sale of Goods	76,326	-
		Sale of Fixed assets	-	1,100,041
8	Modison	Purchase of Goods	-	10,146
		Royalty	434,425	-

(C) Balance at the year end.

S.No.	Related parties	Nature of Transactions	31.03.2013	31.03.2012
1.	Mr. G. L. Modi	Remuneration Payable	7,167,589	479,040
2.	Mr. Rajkumar Modi	Remuneration Payable	99,040	149,040
3.	Mr. Kumar Jay Modi	Salary Payable	73,840	10,540

Note No 29.1: Director remuneration (Included in Employee Benefits Expenses) of Rs. 1,28,78,734/- for the year includes Rs. 69,93,549/- being provision made towards increase in remuneration of Mr. G.L.Modi w.e.f. 09.07.2012, the same has not been paid pending the Central Government approval.

30 VALUE OF IMPORTED AND INDIGENOUS MATERIAL CONSUMED

Particulars	2012-2013		2011-2012	
	%	Value	%	Value
Raw Material				
Imported	20.02	234,521,197	10.48	125,019,117
Indigenous	79.98	936,727,423	89.52	1,068,171,955
	100.00	1,171,248,621	100.00	1,193,191,071
Stores, Spares & Components				
Imported	-	-	-	-
Indigenous	100.00	12,770,378	100.00	12,284,666
	100.00	12,770,378	100.00	12,284,666

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

Particulars	2012-13	2011-12
Raw Material	198,131,758	152,591,587
Capital Goods	80,382,090	39,663,258
Components and Spare Parts	3,877,796	2,040,556

32 EXPENDITURE IN FOREIGN CURRENCY

Particulars	2012-2013	2011-2012
Foreign Travelling (out of the above Rs. 3,16,065/- (Previous year Rs.91,732/-) has been capitalised)	2,093,564	1,031,198
Commission	9,882,984	11,172,585
Interest	1,291,359	2,582,545
Others	4,829,427	2,192,286

NOTES ON ACCOUNTS

33 EARNINGS IN FOREIGN CURRENCY

Particulars	2012-2013	2011-2012
Exports at F.O.B. Value	277,664,226	264,101,986
Freight recovered	4,767,236	6,304,851
Insurance premium recovered	77,853	174,136

34 RESEARCH AND DEVELOPMENT EXPENDITURE

Particulars	2012-2013	2011-2012
Capital Expenditure included in Fixed Assets	3,907,261	1,279,738
Revenue Expenditure included in Employee Benefit	2,241,662	2,574,488
Revenue Expenditure included in Other Expenses	349,272	114,523

35 OPERATING LEASES DISCLOSURES

Assets Taken on Lease

The company's major leasing arrangements are in respect of staff quarters and office premises taken on Lease and License basis. The aggregate lease rentals of Rs 5,47,050/- (Previous Year: 4,24,272/-) are charged as Rent and shown under the Note No. 24 "Other Expenses". These leasing arrangements, which are cancelable, range between eleven months and three years generally or longer and are usually renewable by mutual consent at mutually agreed terms and conditions.

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

37 SIGNIFICANT ACCOUNTING POLICIES

(A) Basis of Preparation of financial statement

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

(B) Inventories Valuation

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

(C) Fixed Assets & Depreciation / Amortisation

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

ii) Depreciation in respect of Factory Building, Plant & Machinery for SF6 Project, Electric Installation for SF6 project, R&D Plant & Machinery, Factory Buildings at Plot No. 85-B and Plot Nos. 85/D & E has been provided on straight line method and in respect of all other assets on written down method at the rate specified in accordance with Schedule XIV of the Companies Act, 1956.

iii) No amortisation is provided in accounts in respect of Leasehold Land

iv) Depreciation for the year on the assets revalued in the earlier years has been calculated on their respective revalued figures at the rate specified in accordance with Schedule XIV of the Companies Act, 1956. The additional charge of depreciation during the year on account of revaluation has been withdrawn from revaluation reserve and credited to Statement of Profit and Loss.

v) Intangible Assets are identified when they are expected to provide future enduring economic benefits. The assets are identified in the year in which the relevant asset is put to use. The assets are amortised over a period of estimated useful life as determined by the management. Expenditure on Know-How is amortised over a period of 10 years on Straight Line Method. Expenditure on Software is amortised over a period of five year on straight line method.

(D) Revenue Recognition

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

(ii) Income from services are recognised on completion of services.

(E) Other Income

Dividend is accounted for as and when received.

(F) Foreign Currency Transaction

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

(G) Investments

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

(H) Employee Benefit

i) Short Term Employee benefits are recognised as an expense at the undiscounted amounts in the Statement of Profit and Loss of the year in which the related service is rendered.

ii) Contribution payable to the recognised Provident Fund which is Defined Contribution Scheme is charged to Statement of Profit and Loss.

iii) Liabilities in respect of Defined Benefit Plans are determined based on actuarial valuation made by an independent actuary as at the Balance Sheet date. The actuarial gains or losses are recognised immediately in the Statement of Profit and Loss.

iv) In case of non-member of the Gratuity Fund, the same is provided as per the approval of Central Government and as per Payment of Gratuity Act, 1972, wherever applicable.

NOTES ON ACCOUNTS**(I) Lease**

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

(J) Taxation

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

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

(K) Impairment of Assets

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

(L) Provision & Contingent Liability

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

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

As per our report of attached even date.

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

FOR AND ON BEHALF OF THE BOARD

ASHISH BAIRAGRA
PARTNER
MEMBERSHIP NO.109931

PLACE : MUMBAI
DATED : 23RD MAY, 2013

G.L. MODI
MANAGING DIRECTOR

PLACE : MUMBAI
DATED : 23RD MAY, 2013

SURESH MODY
DIRECTOR

MODISON METALS LIMITED

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

ATTENDANCE SLIP

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

No. of Shares held:

I hereby record my presence at the **Thirtieth ANNUAL GENERAL MEETING** of the Company at **Radio Room, The Bombay Presidency Radio Club Ltd., 157, Arthur Bunder Road, Colaba, Mumbai – 400005 on 10th September, 2013 at 11.30 A.M.**

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

Notes:

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

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

MODISON METALS LIMITED

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

PROXY FORM

I / We _____ of _____ in the district _____ being a Member / Members of the abovenamed Company, hereby appoint _____ of _____ in the district of _____ or failing him _____ of _____ in the district of _____ as my/our proxy to vote for me/us on my/our behalf at the Annual General Meeting of the Company to be held on 10th September, 2013 at 11.30 A.M and at any adjournment thereof.

Signed this day of 2013.

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

Affix Re. 1.00
Revenue Stamp

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

MODISON METALS LIMITED

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

SUPPLEMENT NOTICE

This notice is a supplement to the notice given by the Board of Directors convening the Thirtieth Annual General Meeting of the members of **Modison Metals Limited** to be held at **Radio Room, The Bombay Presidency Radio Club Ltd., 157, Arthur Bunder Road, Colaba, Mumbai – 400005 on 10th September 2013 at 11.30 A.M.**

This supplementary notice is given to the members of the Company to inform that, at the said Annual General Meeting for which the aforesaid notice has been issued, the following business is to be included after item 7 of the aforesaid notice:

8. To appoint Mr. L.P. Aggarwal as a Director liable to retire by rotation and in this regard 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 257 and all other applicable provisions, if any, of the Companies Act, 1956 or any statutory modification(s) or re-enactment thereof, Mr. L.P. Aggarwal, who was appointed as an Additional Director on 15th July, 2013 pursuant to the provisions of Section 260 of the Companies Act, 1956 and Article 81 of the Articles of Association of the Company, be and is hereby appointed as a Director of the Company liable to retire by rotation.

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

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

G.L. MODI
Managing Director

MUMBAI, 15th July, 2013

NOTES:

a) The relative Explanatory statement pursuant to section 173(2) of the Companies Act, 1956, in respect of the special business as set out above is annexed hereto.

b) A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself and proxy need not be a member of the company.

c) As per the requirements of clause 49 of the Listing Agreement on Corporate Governance for appointment of the Directors / re-appointment of the retiring Directors, a statement containing details of Mr. L.P. Aggarwal- Director is given below

	Name of the Director	MR. L.P. AGGARWAL
i)	Date of birth	25 th March, 1958

ii)	Date of Appointment	15 TH July, 2013 as Additional Director
iii)	Qualification	B.Com. (Hons.), FCA & CAIIB
iv)	Expertise in specific functional area	L P Aggarwal is a rank-holder Chartered Accountant with 30 years of post-qualification experience. He has held senior positions in a large Public Sector Bank, a Stock Exchange and a large Brokering House / NBFC. He has gained wide knowledge of Indian companies in various industries, while appraising their projects, lending funds to them, investing in their equity and also as nominee director. He has made substantial contribution for improvement in Corporate Governance, MIS, Business Strategy and Compliance in these companies. He has deep knowledge and understanding of Indian equity and financial markets as well as of banking and brokering operations.
v)	List of other public limited companies (in India) in which outside directorship held	Nil
vi)	Member of the committee/s of Board of Directors of other companies in which he is a Director	Nil

EXPLANATORY STATEMENT U/S 173 (2) OF THE COMPANIES ACT, 1956 FORMING PART OF THE NOTICE

Item No. 8

The Board of Directors of the Company (the 'Board') at its meeting held on 15th July, 2013 appointed Mr. L.P. Aggarwal as additional Director pursuant to the provisions of Section 260 of the Companies Act, 1956 (the 'Act') read with Article 81 of the Articles of Association of the Company.

In terms of the provisions of Section 260 of the Act, Mr. L.P. Aggarwal would hold office upto the date of the ensuing Annual General Meeting.

The Company has received notice in writing from a member alongwith deposit of Rs. 500/- for proposing the candidature of Mr. L.P. Aggarwal for the office of Director of the Company under the provisions of Section 257 of the Act.

Mr. L.P. Aggarwal is not disqualified from being appointed as Director in terms of Section 274(1)(g) of the Act. The Company has received the requisite Form 'DDA-A' from Mr. L.P. Aggarwal, in terms of the Companies (Disqualification of Directors under Section 274(1)(g) of the Companies Act, 1956) Rules 2003, confirming his eligibility for such appointment.

Mr. L.P. Aggarwal is interested in the Resolution as it pertains to his appointment.

The Board commends the Resolution for your approval.

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

G.L. MODI
Managing Director

MUMBAI, 15th July, 2013