

Global Contact Technology



MODISON

METALS LIMITED

ANNUAL REPORT 1998-99

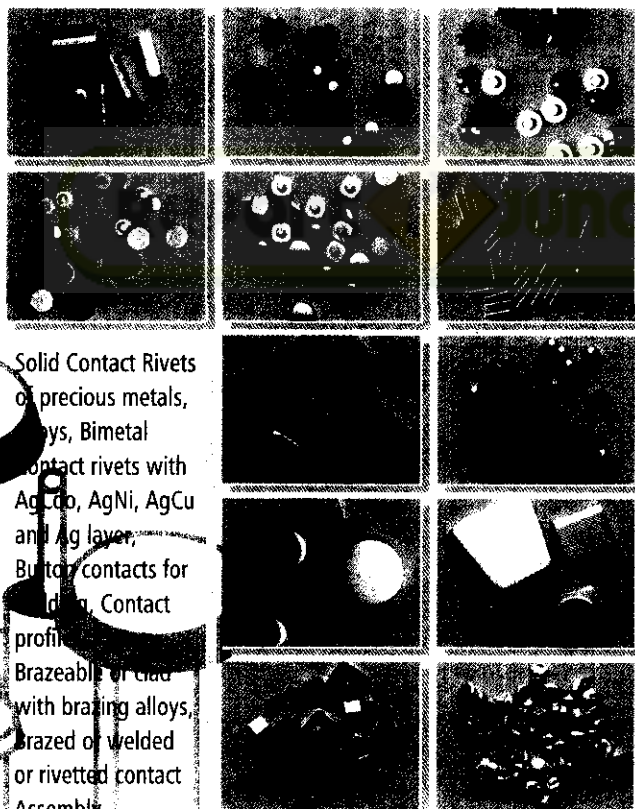
MODISON
THE SILVER PEOPLE

SEMI FINISHED PRODUCTS FOR ELECTRICAL CONTACTS

Wires, Strips, Sheets,
Precious metal Claded
Strips, Precious metal
Inlaid and through lay
strips, Silver Bronze,
Silver plated Copper
Strips.



LOW VOLTAGE CONTACT RAY



Solid Contact Rivets
of precious metals,
Alloys, Bimetal
Contact rivets with
Ag, Co, AgNi, AgCu
and Ag layer,
Butter contacts for
circuit breaker, Contact
profiles
Brazeable or clad
with brazing alloys,
Brazed or welded
or rivetted contact
Assembly





DIRECTORS' REPORT

To,
The Members of
MODISON METALS LTD.

Your Directors have pleasure in submitting the Sixteenth Annual Report of the Company together with audited Accounts for the year ended 31st March, 1999.

1. FINANCIAL RESULTS

	Rupees In Lakhs	
	1998-99	1997-98
Sales & Other Income	1912.02	2135.89
Gross Profit Before Interest & Depreciation	266.77	320.31
Less: Interest	76.60	66.91
Depreciation	68.16	54.70
Profit Before Taxation	122.01	198.70
Less: Provision for Taxation	33.00	63.00
Profit After Taxation	89.01	135.70
Add: Taxation adjustment of previous year	(4.20)	6.33
Add: Addition on Amalgamation		
Profit & Loss A/c as on 01.04.97	Nil	114.29
Add: Transfer from Investment Allowance		
Reserve (Utilised)	2.41	10.21
Transfer from Capital Subsidy Reserve	Nil	10.81
Add: Balance Brought Forward from the previous year	209.43	(7.94)
Profit available for appropriation	296.65	269.40
Proposed Dividend (including Tax on distributed profits)	50.42	49.97
Transfer to General Reserve	10.00	10.00
Balance Carried Over to Balance Sheet	236.23	209.43

2. AMALGAMATION OF MODISON METALS LTD. WITH ANUJ COMMERCIAL LTD.

The amalgamation of Modison Metals Ltd. (MML) with your Company was accomplished on 5th June 1998. The drawn up order of the Hon'ble High Court of Bombay was filed with the Registrar of Companies, Maharashtra on 24th June 98.

The amalgamation was announced on 28th Nov. 97. The amalgamation petition for sanction of the scheme of Amalgamation of MML with the Company was filed before the Hon'ble High Court of Bombay on 17th February, 1998. The said scheme was duly approved by the Equity Shareholders of both the Companies. Pursuant to the Scheme of Amalgamation, the name of your Company, i.e. Anuj Commercial Ltd. was changed to Modison Metals Ltd. after the amalgamation.

As per order of the Hon'ble High Court of Bombay and as per Scheme of Amalgamation, Anuj Commercial Ltd. shall without any application or consideration, allot and issue three (3) fully paid up Equity Shares of Rs. 10/- each to the Shareholders of Modison Metals Ltd. for two (2) fully paid Equity Shares of Rs.10/- each. Pending allotment, 30,00,000 Equity Shares of Rs. 10/- each fully paid-up to

be issued to the Shareholders of the erstwhile Modison Metals Ltd was shown as Share Capital Suspense in Share Capital Account in the Balance Sheet in 1997-98. The Company has issued these Shares during the year.

3. OPERATIONS :

During the year under review, the Company has achieved the turnover of Rs. 1912.02 lacs as compared to Rs. 2135.89 lacs during previous year. Sales is down mainly due to lower sales of Traded Goods, although Manufacturing Sales is marginally higher than last year.

Year 1998-99 has been a difficult year for the Indian Industry particularly for switchgear industry to whom the Company supplied its products. The performance of the Company this year has been a cause for concern. Margin has been under pressure due to lower demand, higher cost of material, higher interest and Depreciation. The net profit before tax has declined to Rs. 122.01 lacs from Rs. 198.70 lacs as of previous year.

4. EXPORTS :

The Exports during the year amounts to Rs. 21.99 lacs as against Rs. 9.16 lacs achieved in the previous year, an increase of 140%. During the year under review, the Company made attempts on consolidating the Market in Europe. The Company will continue to improve its exports performance in the current year as well.

5. SILVER FLATWARE PROJECT:

The Company wishes to launch the Silver Flatware products in the month of July 1999. Trial production is already going on, samples have been produced. The project is delayed due to late arrival of critical tools and initial teething problems.

6. INFORMATION TECHNOLOGY, YEAR 2000 COMPLIANCE (Y2K) :

The Company has taken necessary steps on the year 2000 (Y2K) hardware / software problem and has already made significant progress in this area. The Company has initiated a series of prudent and reasonable steps to minimise the risk of exposure to Y2K problem and remedial progress will be completed in time. The total costs of Y2K compliance are not expected to be significant.

7. FIXED DEPOSITS :

The Company has not accepted any deposit from the public during the year.

8. DIVIDEND :

Your Directors have recommended a Dividend of Rs. 1.40 per Share (14%).

The Dividend pay-out will be Rs. 45.43 lakhs. In addition to this, the Company shall also pay tax on Dividend amounting to Rs. 4.99 lakhs taking the total pay-out of Rs. 50.42 lakhs.

9. DIRECTORS :

GLIC withdrew its Nominee Director, Mr. Pranav R. Mehta from the Board. The Board of Directors places on record its appreciation for the valuable services rendered by him as a Director.

Mr. A. P. Bhartia, Mr. S. K. Mishra, Mr. R. Kothari, Mr. M. P. Bajaj have resigned from the Board of Directors with effect from 14.07.1998. The Board of Directors places on records its appreciation for the valuable services rendered by them as Directors.

MODISON
METALS LIMITED

Mr. Suresh Mody and Mr. S. M. Mody retire by rotation at the forthcoming Annual General Meeting, being eligible offer themselves for re-appointment to the Board.

10. 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.

11. 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.

12. AUDITORS :

The Company's Auditors, M/s. M L Bhuwania & Co., Chartered Accountants, retiring at the conclusion of the Annual General Meeting are eligible for reappointment.

For And On Behalf of the Board of
Directors of MODISON METALS LTD.

PLACE : MUMBAI
DATE : 31st May, 1999

S. M. MODY
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**

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|--|--|
| a) ENERGY CONSERVATION MEASURES : | Strict application of batch production so that consumption on smaller batch lots is not made thereby increasing 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 :

- | | |
|--|---|
| e) EFFORTS MADE IN TECHNOLOGY ABSORPTION | Efforts are made for continuous improvement in material and labour productivity in order to provide economical products to customers. |
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C. FOREIGN EXCHANGE EARNINGS AND OUTGO :

- | | |
|---|--|
| f) ACTIVITIES RELATING TO EXPORTS | The Company is contributing towards imports substitution in Electrical & Switchgear Industries and making the country self reliant in this regard. |
| g) TOTAL FOREIGN EXCHANGE USED AND EARNED (1998-99) | Rs. in Lacs. |
| i) CIF Value of Imports : | 149.40 |
| Expenditure of Foreign Currency | 3.15 |
| ii) Foreign Exchange earned | 21.99 |

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.**

	(1)	(2)
Name	Mr. G.L.MODI	MR. B. B. SINGH
Designation	Mg. Director	President-Operations
Date of Commencement of Employment	1 st Sept. 1994	1st June, 1990
Gross Remuneration	Rs. 10,33,394*	Rs. 6,89,363
Age (in Years)	58	43
Qualification	D.M.E	B.Tech Mechanical
Experience (in years)	33	20
Particulars of Previous Employment	-	Set Telecommunication Pvt. Ltd.
Designation	-	President-Operations

NOTES :

1. Mr. G. L. Modi is the brother of Mr. S. M. Mody, a Director.
2. * The above remuneration given to Mr. G L Modi includes remuneration of Rs.1,59,200/- as Managing Director in erstwhile Modison Metals Ltd.

