

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

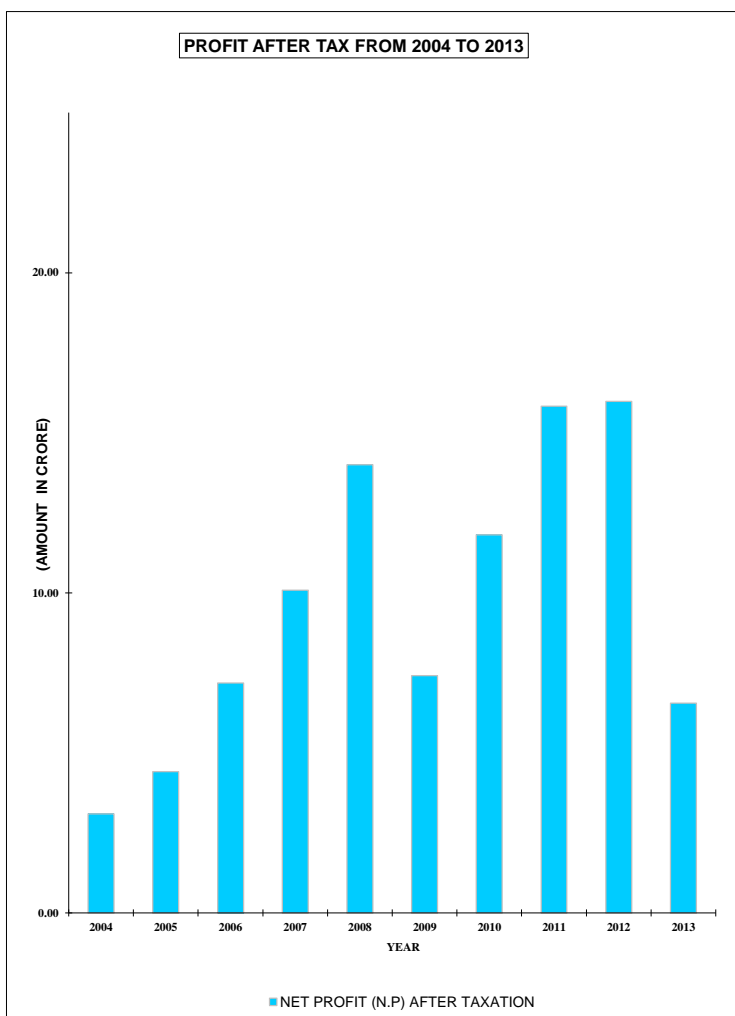
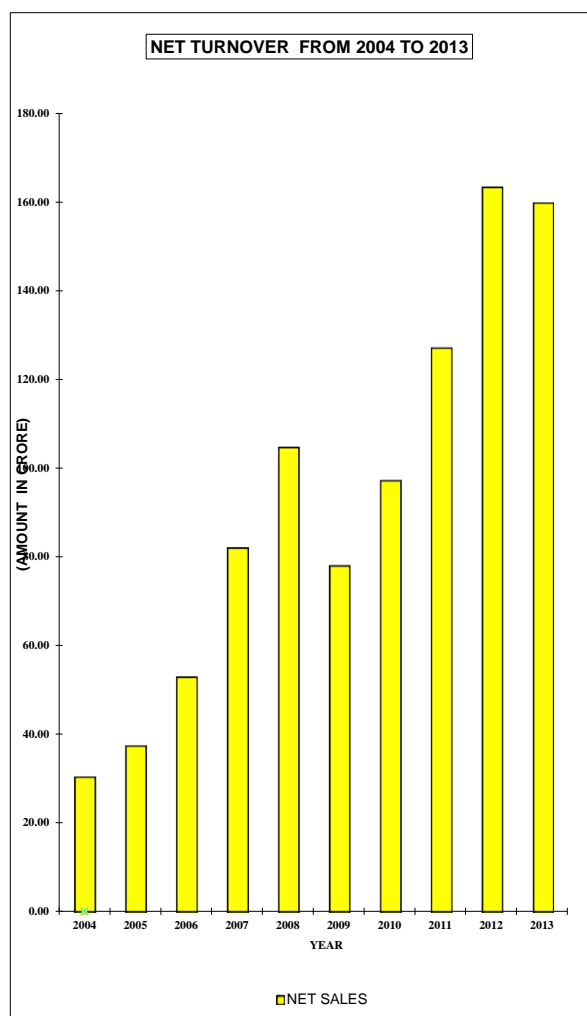
WORKS ADDRESS

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 abroad 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- 12
			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 Vacuum Interruptor 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.
Rs. 50 Lakhs per annum
- 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):
- 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