



**ANNUAL REPORT
2022-2023**

**Annual Report
2022-23****Board of Directors****Jayant G Kulkarni** (Appointed w.e.f.09.11.2022)

Chairman

G.L. Modi

Managing Director

Rajkumar Modi

Jt. Managing Director

Kumar Jay Modi

Jt. Managing Director (w.e.f. 25.05.2023)

R.A. Goenka**Rita Bhatia****Ashok Jatia****Rakesh Singh** (Resigned w.e.f. 31.01.2023)**Manish Srivastava** (Resigned w.e.f. 22.02.2023)**Murlidhar Narayan Nikam**

Chief Executive Officer (Appointed w.e.f. 24.02.2023)

Manika Arora

Company Secretary

Auditors

M L Bhuwania and Co LLP

Chartered Accountants

F-11, 3rd Floor, 90, Veer Nariman Road

Marine Lines, Mumbai - 400 020

Bankers

HDFC Bank Limited

Kotak Mahindra Bank

Registered & Head Office

33 Nariman Bhavan

227 Nariman Point

Mumbai – 400021

Tel: 022 2202 6437

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

85A,B,D,E & 2923, 2924 A&B, E-Road

Phase-I, GIDC, Vapi-396 195

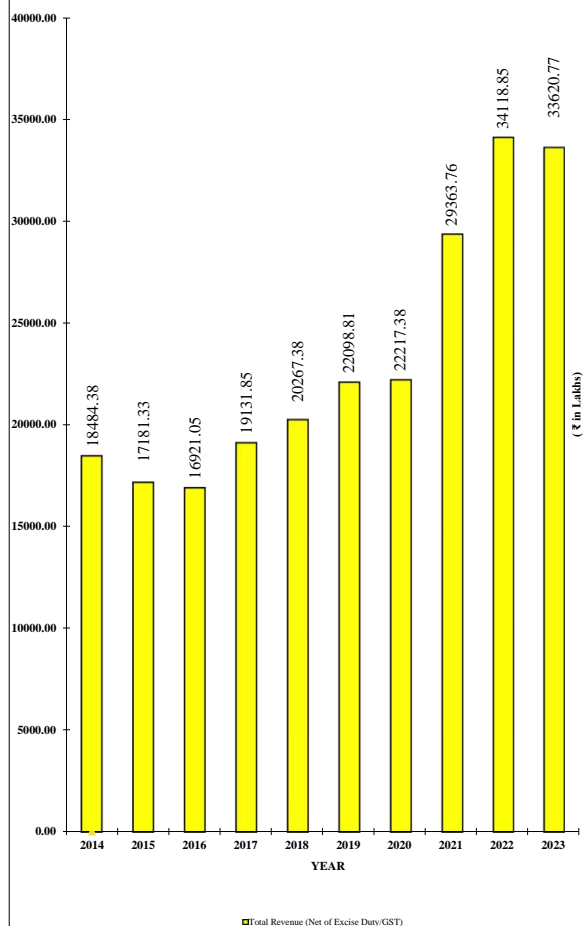
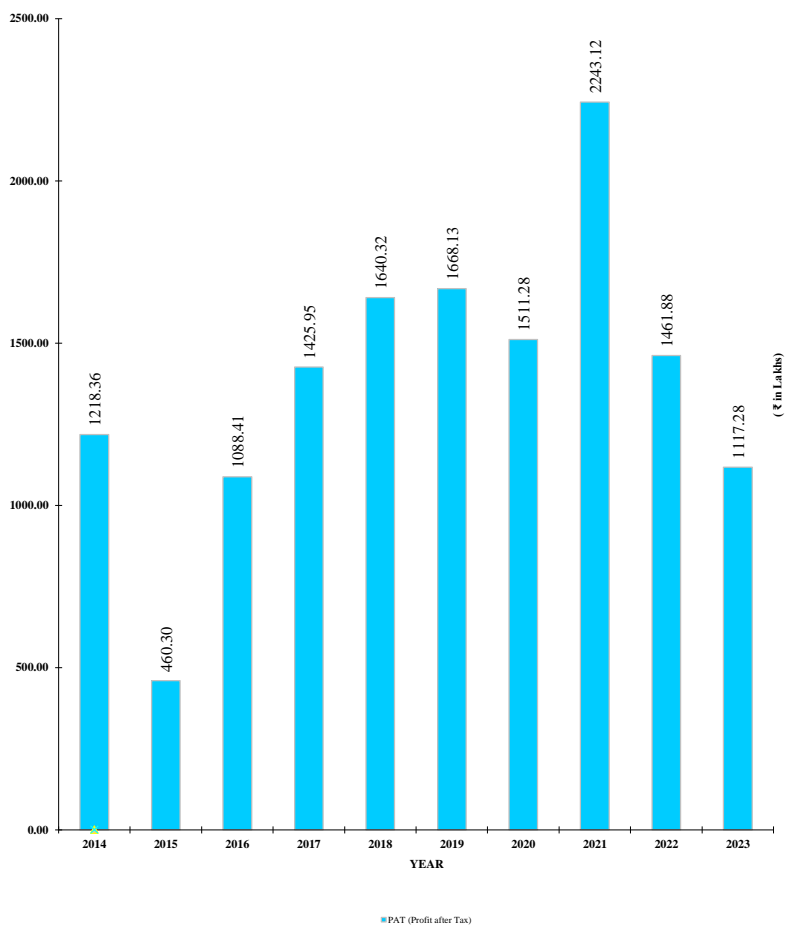
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Financial Highlights (Standalone)

(₹ in Lakhs)

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Total Revenue (Net of Excise Duty/GST)	18484.38	17181.33	16921.05	19131.85	20267.38	22098.81	22217.38	29363.76	34118.85	33620.77
EBITDA	2678.77	1674.63	2690.79	3117.08	3164.28	3302.25	2701.90	3792.93	2843.79	2337.14
Depreciation & Amortisation	622.38	662.70	637.36	639.76	628.16	636.47	617.94	607.84	660.85	632.53
EBIT	2056.39	1011.93	2053.43	2477.32	2536.12	2665.78	2083.96	3185.09	2182.94	1704.61
Taxation	627.59	204.24	630.26	781.98	710.34	777.26	374.21	737.10	516.27	416.05
PAT (Profit After Tax)	1218.36	460.30	1088.41	1425.95	1640.32	1668.13	1511.28	2243.12	1461.88	1117.28
EBITDA To Total Revenue (%)	14.49	9.75	15.90	16.29	15.61	14.94	12.16	12.92	8.33	6.95
EBIT To Total Revenue (%)	11.13	5.89	12.14	12.95	12.51	12.06	9.38	10.85	6.40	5.07
PAT To Total Revenue (%)	6.59	2.68	6.43	7.45	8.09	7.55	6.80	7.64	4.28	3.32
Net Block (+ CWIP)	6064.59	5900.50	6197.60	5875.91	5838.51	5715.02	5876.01	6354.63	6960.26	7579.13
Paid Up Capital	324.50	324.50	324.50	324.50	324.50	324.50	324.50	324.50	324.50	324.50
Reserves And Surplus	9259.58	9411.13	10108.97	11122.18	12368.76	13437.30	14359.42	16131.77	17252.05	18382.15
Net Worth	9547.80	9699.35	10397.20	11410.44	12657.26	13725.93	14649.67	16422.02	17542.30	18672.40
Few Key Ratios										
Earnings Per Share (Rs.)	3.75	1.42	3.35	4.39	5.05	5.14	4.66	6.91	4.51	3.44
Book Value (Rs.)	29.53	29.89	32.04	35.17	39.01	42.30	45.15	50.61	54.06	57.54
Dividend (%)	125.00	75.00	100.00	100.00	150.00	150.00	100.00	150.00	100.00	100.00

Total Revenue from 2014 to 2023

Profit after Tax from 2014 to 2023


DIRECTORS' REPORT

To
**The Members of
Modison Ltd**

The Directors have pleasure in presenting the 40th Annual Report of the Company along with the Audited Financial Statements (both on standalone and consolidated basis) of Modison Limited for the financial year ended 31st March, 2023.

FINANCIAL RESULTS

(₹ in Lakhs)

	Consolidated		Standalone	
	2022-23	2021-22	2022-23	2021-22
Revenue from operation & other income	33,621.69	34,119.89	33,620.77	34,118.85
Gross Profit before Finance Cost, Depreciation/ Amortisation & Exceptional items	2,593.78	3,198.06	2,593.30	3,197.51
Less: Finance Cost	171.28	204.81	171.28	204.79
Less: Depreciation / Amortisation	632.53	660.85	632.53	660.85
Profit before Exceptional items	1,789.97	2,332.40	1,789.49	2,331.87
Exceptional items	(256.16)	(353.72)	(256.16)	(353.72)
Profit before taxation	1,533.81	1,978.68	1,533.33	1,978.15
Less: Provision for Taxation				
Current tax	531.07	547.44	531.00	547.25
Less: Taxation adjustment of previous year	5.57	0.02	5.57	-
Less: Deferred tax	(120.52)	(31.85)	(120.52)	(30.98)
Profit after taxation	1,117.69	1,463.07	1,117.28	1,461.88
Add: Balance brought forward from the previous year	15,958.91	14,820.34	15,956.65	14,819.27
Profit available for appropriation	17,076.60	16,283.41	17,073.93	16,281.15
Less: Interim Dividend	-	(324.50)	-	(324.50)
Balance carried over to Balance Sheet	17,076.60	15,958.91	17,073.93	15,956.65

Operations

During the year under review on consolidated basis, the Company has achieved the revenue of **₹33,621.69 Lakhs** as compared to ₹ 34,119.89 Lakhs during previous year. The revenue is slightly decrease by 1.46% i.e. by **₹498.20 Lakhs**. The Profit before tax & after exceptional income/expense decreased by 22.48% i.e. by **₹444.87 Lakhs** & Net Profit after tax decreased by 23.61% i.e. by **₹345.38 Lakhs**.

On an unconsolidated basis, the Company has achieved the revenue of **₹33,620.77 Lakhs** as compared to ₹34,118.85 Lakhs during previous year. The revenue is slightly decrease by 1.46% i.e. by **₹498.08 Lakhs**. The Profit before tax & after exceptional income/expense has decreased by **22.49%** i.e. by **₹ 444.82 Lakhs** & Net Profit after tax decreased by 23.57% i.e. by **₹344.60 Lakhs**.

Exports

The Exports (FOB) including export in INR during the year amounts to **₹5,034.36 Lakhs** as against **₹5,527.64 Lakhs** achieved in the previous year. The export is decreased by 8.92% i.e. by **₹493.28 Lakhs**.

Dividend

The Company has a robust track record of rewarding its shareholders with a generous dividend pay-out. In view of the Company's performance and on account of healthy retained earnings and cash position, the Board of Directors has recommended Final Dividend of ₹1/- Per share on face value of ₹1 each for the financial year ended March 31, 2023.

The Register of Member and Share Transfer book of the Company will remain closed from 18th July 2023 to 24th July 2023 (both days inclusive) for ascertainment of shareholders eligible to receive dividend for the financial year ended March 31, 2023.

Change of name of the Company

The name of the Company has changed from 'Modison Metals Limited' to 'Modison Limited', pursuant to the fresh Certificate of Incorporation dated 22nd July, 2022 issued by the Ministry of Corporate Affairs, Office of the Registrar of Companies, Mumbai.

Stock Exchange

The Company's equity shares are listed at BSE Limited and National Stock Exchange. Due to change in the name of the Company from Modison Metals Limited to Modison Limited w.e.f. July 22, 2022 Symbol of the Company has been changed from **MODISNME** to **MODISONLTD** on both the Exchanges.

Research and Development

A state-of-the-art recognized R & D Division set up by the Company in Financial Year 2002-2003 got renewed in June 2022 from Department of Science & Technology Industrial Research, New Delhi. The R & D Division is working for development of new product as well as improvement in existing products. The company continue to invest in R&D towards new product development and capability building.

Change In Nature of Business

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

Transfer to Reserves

The Company has not transferred any amount to Reserves for the Financial Year ended 31st March 2023.

Management Discussion and Analysis Report

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

Share Capital

The paid up equity capital as on 31st March 2023 stood at **₹324.50 Lakhs**. There was no change in the Share Capital during the year under review. The Company has paid Listing Fees for the Financial Year 2022-23 to each of the Stock Exchanges, where its equity shares are listed.

Sweat Equity Shares

In terms of Sub-rule (13) of Rule 8 of Companies (Share Capital and Debentures) Rules, 2014, the Company has not issued any Sweat Equity Shares.

Differential Voting Rights

In terms of Rule 4(4) of Companies (Share Capital and Debenture Rules, 2014), the Company has not issued any share with Differential Voting Rights.

Employee Stock Options

In terms of Rule 12(9) of Companies (Share Capital and Debenture Rules, 2014), the Company has not issued any Employee Stock Options.

Financial Liquidity

Consolidated cash and cash equivalent as on March 31, 2023 stood at **₹46.33 Lakhs** vis-à-vis ₹407.94 Lakhs in the previous year. The Company's working capital management is robust and involves a well-organised process, which facilitates continuous monitoring and control over receivables, inventories and other parameters.

Credit Rating

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

Sr. No.	Facilities	Rating	Remarks
1.	Long Term Bank Facilities	CARE A; Negative (Single A; Outlook : Negative)	Re-affirmed; Outlook revised from Stable
2	Short Term Bank Facilities	CARE A1 (A One)	Re-affirmed

Public Deposits

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

Loans, Guarantees and Investments

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

Internal Audit and its Adequacy

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

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

Internal Controls Over Financial Reporting

The Company's internal financial controls are commensurate with the scale and complexity of its operations. The controls were tested during the year and no reportable material weaknesses either in their design or operations were observed.

The Company has put in place robust policies and procedures, which inter alia, ensure integrity in conducting its business, safeguarding of its assets, timely preparation of reliable financial information, accuracy & completeness in maintaining accounting records and prevention & detection of frauds & errors

Vigil Mechanism / Whistle Blower Policy

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

Subsidiary, Associate and Joint Venture Companies

Modison Contacts Private Limited is the wholly owned subsidiary Company of your Company. The revenue from operations during the financial year 2022-23 stood at **₹0.93 Lakhs** as compared to ₹1.04 Lakhs in the previous year. It has total comprehensive income/loss of **₹0.40 Lakhs** during the year as compared to ₹1.20 Lakhs in the previous year.

The material subsidiaries policy is available on Company's website and the web link is <https://www.modison.com/investors/modison-policy-for-determining-material-subsiadiaries>

Joint Ventures

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

Consolidated Financial Statements

The Consolidated Financial Statements of the Company are prepared in compliance with the applicable provisions of the Act, including Indian Accounting Standards specified under Section 133 of the Act.

The audited Consolidated Financial Statements together with the Auditors' Report thereon form part of the Annual Report.

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

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

Board of Directors & Key Managerial Personnel

Directors

A. Appointment/ Re-Appointment

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

During the year under review Mr. Kumar Jay Modi, Whole time Director (DIN:00059396) was elevated & re-designated as Joint Managing Director of the Company w.e.f 25.05.2023 subject to the approval of members in the ensuing Annual General Meeting and all other terms & conditions of his appointment remain unchanged (including tenure i.e. 31.03.2025) as approved by members via postal ballot dated 30.03.2022.

In terms of the Articles of Association of the Company, the Board of Directors, at its meeting held on 25th May 2023, appointed Mr. Vijay Kumar Modi as an Additional Director with effect from 1st June 2023. The Board of Directors had also, on the recommendation of the Nomination and Remuneration Committee, recommended appointment of Mr. Vijay Kumar Modi (DIN: 10042572) as a whole-time director, designated as "Executive Director-Sales and Technical" with effect from 1st June 2023, for a term of three consecutive years, subject to the approval of members at the 40th AGM.

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

Cessation

During the year under review Mr. Manish Kumar Srivastava, Joint Managing Director of the Company resigned from the Company w.e.f. February 22, 2023 and Mr. Rakesh Singh, Non-Executive Director resigned from the Company w.e.f. January 31, 2023. The Board of Directors of your Company place on record its sincere appreciation of the valuable contribution made by Mr. Manish Kumar Srivastava and Mr. Rakesh Singh during their tenure as the Director of the Company.

A. Key Managerial Personnel ('KMP')

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

-
1. G. L. Modi, Managing Director
 2. Raj Kumar Modi, Joint Managing Director
 3. Kumar Jay Modi, Whole time Director was elevated & re-designated as Joint Managing Director of the Company w.e.f 25.05.2023
 4. Mr. Murlidhar Narayan Nikam, Chief Executive Officer (appointed w.e.f. 24.02.2023)
 5. Ramesh Mangilal Kothari, Chief Financial Officer
 6. Manika Arora, Company Secretary.

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

Declaration From Independent Directors

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

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

The Board is of the opinion that the Independent Directors of the Company possess requisite qualifications, experience and expertise in the fields of technology, digitalisation, human resources, strategy, auditing, tax and risk advisory services, financial services, corporate governance, etc. and that they hold highest standards of integrity.

In terms of Section 150 of the Act read with rule 6 of the Companies (Appointment & Qualification of Directors) Rules, 2014 as amended, the Independent Directors have confirmed that they have enrolled themselves in the Independent Directors Databank maintained with the Indian Institute of Corporate Affairs and they meet the criteria of exemption to undertake online proficiency self-assessment test conducted by the said Institute.

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

Board Effectiveness**Familiarization Program for Independent Directors**

A familiarization program for independent directors as approved by the Board and details for the same is available on the Company's website. The web-link is <https://www.modison.com/investors/modison-details-of-familiarization-programmes-imparted-to-independent-directors>

Formal Annual Evaluation

The Board carries out its annual performance evaluation of its own performance, the Directors individually, as well as the evaluation of the working of its Audit, Nomination & Remuneration, Risk Management, Stakeholders' Relationship, CSR and Compliance Committees as mandated under the Act and the Listing Regulations, as amended from time

to time. The criteria applied in the evaluation process are explained in the Report on Corporate Governance, which forms part of the Annual Report.

Company Policy on Directors Appointment and Remuneration

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

Number of Meetings of the Board & its Committees

Regular meetings of the Board and its Committees are held to discuss and decide on various business policies, strategies, financial matters and other businesses. The schedule of the Board/ Committee Meetings to be held in the forthcoming financial year is circulated to the Directors in advance to enable them to plan their schedule for effective participation in the meetings.

Due to business exigencies, the Board has also been approving several proposals by circulation from time to time. During the year, four (4) Board Meetings were convened and held, the details of which are given in the Report on Corporate Governance, which forms part of the Annual Report.

The Company has the following six (6) Board-level Committees, which have been established in compliance with the requirements of the business and relevant provisions of applicable laws and statutes:

1. Audit Committee
2. Risk Management Committee
3. Corporate Social Responsibility Committee
4. Nomination and Remuneration Committee
5. Stakeholders' Relationship Committee
6. Finance Committee.

The details with respect to the composition, terms of reference, number of meetings held, etc. of these Committees are included in the Report on Corporate Governance, which forms part of the Annual Report.

Independent Directors Meeting

The meeting of the Independent Directors in financial year 2022-23 was held on 8th February, 2023.

Audit Committee

The Audit Committee comprises of Six (6) members. The Committee is chaired by Mrs. Rita Bhatia (Non-Executive and Independent Director). The other Members of the Committee are Mr. R A Goenka (Non-Executive and Independent Director), Mr. Ashok Jatia (Non-Executive and Independent Director), Mr. Rajkumar Modi (Executive Director), Mr. Kumar Jay Modi (Executive Director) and Mr. Jayant Govindrao Kulkarni (Non-Executive and Independent Director). The Committee comprises of majority of Independent Directors. Details of the role and responsibilities of the Audit Committee, the particulars of meetings held and attendance of the Members at such Meetings are given in the Report on Corporate Governance, which forms part of the Annual Report. During the year under review, the recommendations made by the Audit Committee were accepted by the Board.