



MODERN[®] INDIA LTD



MODERN INDIA LIMITED

**86th Annual Report
2019 - 2020**

BOARD OF DIRECTORS



Mr. Vijay Kumar Jatia
Chairman & Managing Director



Mr. Anand Didwania
Director



Mr. Shivkumar Israni
Director



Mrs. Gauri Jatia
Director



Mr. Kaiwan Kalyaniwalla
Director



Mr. Pradip Kumar Bubna
Director

BANKERS

PUNJAB NATIONAL BANK
KOTAK MAHINDRA BANK LTD
YES BANK LTD
ICICI BANK LTD

AUDITORS

M/s. KHANDELWAL JAIN & CO.
CHARTERED ACCOUNTANTS

VICE PRESIDENT & COMPANY SECRETARY

PARIND BADSHAH

REGISTERED OFFICE

1, MITTAL CHAMBERS, 228 NARIMAN POINT,
MUMBAI 400 021. TEL: +91 (22) 6744 4200
Email : info@modernindia.co.in

SHARE TRANSFER AGENTS

SATELLITE CORPORATE SERVICES PVT.LTD.
Unit No.49, Bldg No,13 A-B,2nd Floor,
Samhita Commercial Co-op.Soc.Ltd.,
Off Andheri Kurla Lane, MTNL Lane,
Sakinaka , Mumbai-400 072.
Email : service @ satellitecorporate.com
Tel. No. + 91-22-28520461

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My dear fellow Shareholders,

Today the topic of discussion the world over is Impact of Covid 19 and as we are all aware there has been lockdown and unlocking going on in various parts of India and the world as a whole. The economies of all countries have gone for a toss, businesses are down, losses are piling up, unemployment is staring in the eyes. Light at the end of tunnel is that research for vaccines are on and its is expected soon however today the mantra is stay home stay safe and inline with this our Company has devised a work from home policy to enable the operations of the company to continue. The US-China trade war is accelerating and tensions between India China post the border skirmish have risen and there is a ban on Chinese products momentum in the country. The government of India and the various states are trying their best to get the situation under control. With the unlock phases now businesses are slowly opening up but it will take time to recover to its full potential. There are several challenges viz, labour movement, unemployment uncertainty of the spread of virus, etc however we are all confident that things will improve and with the new policies and stimulus package announced will herald a new era of growth for the Indian economy.

The year under review has not been good for the Company as there have been various setbacks, one was that there was no movement in the NSEL matter where the monies of the company are blocked however the company is hopeful that the Representative suit filed by us in the Hon'ble High Court of Bombay will culminate in the company receiving its dues at the earliest.

The merger of the two subsidiaries, M/s Modern India Property Developers and M/s Modern India Free Trade Warehousing Pvt Ltd has been completed with the receipt of the NCLT order in July 2019. The construction activity at its South Mumbai location has commenced but due to the pandemic and the migration of labour and lockdown activity in the last quarter came to a standstill and we expect the same to recommence soon. The Company is also in the process of taking clearances for its Boisar project.

The renewable energy sector is also hit as with the lockdown, the consumption of power by the industries, malls, etc the main energy guzzlers came to a standstill so the power which once used to fetch a price of Rs 5+ could not be sold in open market and hence the earning of the company were hit.

Your company's subsidiary M/s Verifacts Services Pvt Ltd has achieved a turnover of ` 20.19 crores against 18.86 crores in the corresponding previous year, upmarginally. Several new initiatives are in the pipeline and is expected to yield good results in the coming years. Verifacts is undertaking many new steps to retain its competitive advantage that it enjoys.

Your overseas subsidiary M/s Modern International (Asia) Ltd (MIAL) has registered a turnover of US \$ **15,875,949** for the year 2019-20 as against US\$ 13,755,023 for the year 2018-19. MIAL has set out aggressive growth plans and they are exploring opportunities in other emerging markets in Asia and in furtherance they have also opened a wholly owned subsidiary in Vietnam.

The company on a consolidated basis has achieved turnover of `193.21 crores against `206.06 crores in the year 2018-19. Unfortunately the company has sustained a loss of `19.30 crores after tax in the past financial year; however we are optimistic that these losses will be contained and the Company will see a turnaround once the project commences. Due to the losses the Directors have not recommended a dividend for the year 2019-2020.

As always, we shall continue to strive to improve our performance.

Best Wishes,

Vijay Kumar Jatia

Chairman & Managing Director

NOTICE

NOTICE is hereby given that the **86th Annual General Meeting** of the Members of Modern India Limited will be held on **Friday), the 21st day of August, 2020 at 4.00 pm** through Video Conferencing ("VC") / Other Audio Visual Means ("OAVM") to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Financial Statements (including Standalone and Consolidated Financial Statements) for the year ended 31st March, 2020, along with the reports of the Board and the Auditors thereon.
2. To appoint a Director in place of Smt.Gauri Jatia (DIN: 0096766) who retires by rotation, and being eligible, offers herself for re-appointment.

SPECIAL BUSINESS

3. To consider and if thought fit, to pass, the following Resolution as an **Ordinary Resolution**

CONSENT FOR RE-APPOINTMENT AND PAYMENT OF REMUNERATION TO SHRI.SIDHANT JATIA- PRESIDENT OF THE COMPANY

"RESOLVED THAT pursuant to the provisions of Section 188, and all other applicable provisions, if any of the Companies Act, 2013, read with the Companies (Meetings of Board and its Powers) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), consent of the Company be and is hereby accorded to Shri. Sidhant Jatia (relative of Shri. Vijay Kumar Jatia, Chairman & Managing Director and Smt. Gauri Jatia, Director of the Company) to hold and continue to hold an office or place of profit in the Company for a period of 3 years as President of the Company with effect from 01st October, 2020

RESOLVED FURTHER THAT Shri Sidhant Jatia, President shall receive remuneration ranging from ` 84 lakhs p.a to ` 1.25 crores on a cost to company basis spread over a period of 3 years as may be decided by the Board of Directors from time to time keeping in view the various perquisites provided including the amount of allowances, benefits, incentives, amenities, facilities and other perquisites provided by the Company or the cost whereof is borne by the Company, including leave encashment, contribution to provident fund, gratuity fund, superannuation fund, group insurance, etc. as are applicable to other employees in an equivalent salary scale or grade.

RESOLVED FURTHER THAT the Board shall have the authority from time to time (a) to make applicable to Shri. Sidhant Jatia such revisions in the aforesaid salary scale or grade together with revisions in such allowances, benefits, amenities, facilities and other perquisites including contribution to provident fund, gratuity fund, superannuation fund, etc. as are introduced from time to time in respect of employees of the Company in an equivalent salary scale or grade; and (b) to promote him to any higher position/designation or salary scale or grade in due course together with such allowances, benefits, amenities, facilities and other perquisites including contribution to provident fund, gratuity fund, superannuation fund, etc. as are applicable to other employees in an equivalent salary scale or grade, with such annual increments as may be permissible under the rules or practices adopted by the Company or as the Board may deem fit and proper subject to the overall cost to the company not exceeding ` 1.25 crores per annum at any time."

Item no. 4

To consider and if thought fit, to pass the following Resolution as an **Ordinary Resolution**

**CONSENT FOR RE-APPOINTMENT AND PAYMENT OF REMUNERATION TO SHRI. MUDIT JATIA-
PRESIDENT OF THE COMPANY**

“RESOLVED THAT pursuant to the provisions of Section 188, and all other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Meetings of Board and its Powers) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), consent of the Company be and is hereby accorded to Shri Mudit Jatia (relative of Shri. Vijay Kumar Jatia, Chairman & Managing Director and Smt. Gauri Jatia, Director of the Company) to hold and continue to hold an office or place of profit in the Company for a period of 3 years as President of the Company with effect from 1st October, 2020

RESOLVED FURTHER THAT Shri Mudit Jatia, President shall receive remuneration ranging from ` 84 lakhs p.a to ` 1.25 crores on a cost to company basis spread over a period of 3 years as may be decided by the Board of Directors from time to time keeping in view the various perquisites provided including the amount of allowances, benefits, incentives, amenities, facilities and other perquisites provided by the Company or the cost whereof is borne by the Company, including leave encashment, contribution to provident fund, gratuity fund, superannuation fund, group insurance, etc. as are applicable to other employees in equivalent salary scale or grade.

RESOLVED FURTHER THAT the Board shall have the authority from time to time (a) to make applicable to Shri. MuditJatia such revisions in the aforesaid salary scale or grade together with revisions in such allowances, benefits, amenities, facilities and other perquisites including contribution to provident fund, gratuity fund, superannuation fund, etc. as are introduced from time to time in respect of employees of the Company in equivalent salary scale or grade; and (b) to promote him to any higher position/designation or salary scale or grade in due course together with such allowances, benefits, amenities, facilities and other perquisites including contribution to provident fund, gratuity fund, superannuation fund, etc. as are applicable to other employees in equivalent salary scale or grade, with such annual increments as may be permissible under the rules or practices adopted by the Company or as the Board may deem fit and proper subject to the overall cost to the company not exceeding ` 1.25 crores per annum at any time.

NOTES:

- 1** In view of the continuing Covid-19 pandemic, the Ministry of Corporate Affairs (“MCA”) has vide its circular dated May 5, 2020 read with circulars dated April 8, 2020 and April 13, 2020 (collectively referred to as “MCA Circulars”) permitted the holding of the Annual General Meeting (“AGM”) through VC / OAVM, without the physical presence of the Members at a common venue. Further, the Securities and Exchange Board of India (‘SEBI’) vide its circular dated 12th May 2020 (‘SEBI Circular’) has also granted certain relaxations. In compliance with the provisions of the Companies Act, 2013 (“Act”), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI Listing Regulations”) and MCA Circulars, the AGM of the Company is being held through VC / OAVM.
- 2** The relative Explanatory Statement pursuant to Section 102 of the Act, setting out material facts concerning the business under Item Nos. 4 and 5 set out above and details under Regulations 26(4) and 36(3) of the Listing Regulations and Paragraph 1.2.5 of the Secretarial Standard on General Meetings issued by the Institute of Company Secretaries of India, in respect of the Directors seeking appointment and/or re-appointment at the AGM are annexed hereto.
- 3** Pursuant to the provisions of the Act, a Member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote on his/her behalf and the proxy need not be a Member of the Company. Since this AGM is being held pursuant to the MCA Circulars through VC / OAVM, physical attendance of Members has been dispensed with. Accordingly, the facility for appointment of proxies by the Members will not be available for the AGM and hence the Proxy Form and Attendance Slip including route map are not annexed to this Notice.
- 4** Institutional / Corporate Shareholders (i.e. other than individuals / HUF, NRI, etc.) are required to send a scanned copy (PDF/JPG Format) of its Board or governing body Resolution/Authorization etc., authorizing its representative to attend the AGM through VC / OAVM on its behalf and to vote through remote e-voting. The said Resolution/Authorization shall be sent to the Company at info@modernindia.co.in
- 5** The Register of Members and Share Transfer Books of the Company will remain closed from 07.08.2020 to 21.08.2020 (both days inclusive), for record purposes.
- 6** Members attending the AGM through VC / OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.
- 7** As per the provisions of Clause 3.A.III. of the General Circular No. 20/2020 dated 5th May 2020, the matter of Special Business as appearing at Item Nos. 3 and 4 of the accompanying Notice, is considered to be unavoidable by the Board and hence, forming part of this Notice.
- 8** **The ISIN of the Equity Shares of ` 2/- each is INE251D01023.**
- 9** **As per Companies (Management And Administration) Rules, 2014 read with chapter VII of the Companies Act, 2013, the shareholders of the company have to furnish their information as per annexure attached herewith and shareholders who are yet to submit the same are requested to submit it to Satellite Corporate Services Private Limited – Registrar and Transfer Agent of Modern India Limited on or before 08th August, 2020.**

In order to provide protection against fraudulent encashment of dividend warrants, Members are requested to intimate the Company's Registrars & Transfer Agents **particulars of their Bank Account viz. Name of Bank, Name of Branch, Complete address of the Bank with Pin Code Number, Account type – whether Saving Account or Current Account and Bank Account Number.** Members are also requested to intimate changes, if any, pertaining to their name, postal address, email address, telephone/ mobile numbers, Permanent Account Number to their DPs in case the shares are held by them in electronic form and to the Company's RTA i.e. Satellite Corporate Services Pvt Ltd in case the shares are held by them in physical form.

- 10 Members are hereby informed that Dividend which remains unclaimed/unpaid for a period of 7 years from the date of transfer to unpaid Dividend Account has to be transferred as per the provisions of Section 124 of the Companies Act, 2013, by the Company to The Investor Education & Protection Fund (IEPF) constituted by the Central Government under Section 125 of the Companies Act, 2013. The unclaimed Dividend amounting to `4,36,638.50 (approx) for the year 2012-2013 is due to be transferred to the IEPF w.e.f **21st August, 2020**. For which Company Had intimated to all the Shareholder through Newspaper publication which was published in Business Standard (English) and Mumbai Lakshdeep (Marathi) on Saturday, 20th June, 2020 advising them to claim their unclaimed dividend for the year 2012-13 latest by 12.08.2020 to avoid transfer of dividend/shares and requested to correspond with the Company's Registrars & Transfer Agents, along with full particulars
- 11 Members desirous of making nomination as permitted under Section 72 of the Companies Act, 2013 in respect of the physical shares held by them in the Company, can make nominations in Form SH-13, which can be procured from the Registrar and Share Transfer Agent M/s Satellite Corporate Services Pvt. Ltd. The Members holding shares in demat form may contact their respective depository participants for such nominations.
- 12 Members who hold shares in physical form in multiple folios in identical names or joint accounts in the same order of names are requested to send the share certificates to the Company's Registrars and Transfer Agents, M/s. Satellite Corporate Services Private Limited (RTA), for consolidation into a single folio.
- 13 **Unclaimed Share Certificates:** Pursuant to Regulation 39(4) read with Schedule VI of SEBI (Listing Obligation and Disclosure Requirement) Regulations, 2015, there are no unclaimed shares. It may be noted that there are 3,68,320 shares in 748 folios which are lying unclaimed **post sub-division** of shares from face value of `50/- to `10/- and subsequently from `10/- to `2/-, in spite of sending reminders.

Furthermore, In terms of Section 124 of the Companies Act, 2013, read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, shares of the Company in respect of which dividend has remained unclaimed or unpaid for seven consecutive years or more, are required to be transferred by the Company to the Investor Education and Protection Fund (IEPF) of the Government of India.

Communication was sent by the Company to the concerned Members who had not claimed their dividend for seven consecutive years or more providing them an opportunity to claim such dividend. There are 15,521 equity shares of 40 folios upto 31st March, 2020 which is due to be transferred to the demat account of the IEPF. The said shares is due from the Financial year 2012-13 for seven consecutive years will be transferred to the demat account of the IEPF Authority in the month of September, 2020.

Shareholders may note that the shares/dividend transferred to IEPF can be claimed by making an application to the Authority in Form IEPF 5 (to be filed online) at the following link <http://iepf.gov.in/IEPFA/refund.html>

- 14 As per the General Exemption granted by the Central Government vide the General Circular No. 2/2011 dated 08.02.2011, copy of Balance Sheet, Statement of Profit and Loss, and Boards Report and the Report of the Auditors of the Subsidiary Companies are not attached with the Annual Report of the Company. However, the Annual Reports of all the Subsidiary Companies are available for inspection at the Registered Office of the Company to any Member of the Company. Further the Company will make available these documents to any Member upon request and the same is made available on the official website of the Company i.e www.modernindia.co.in
- 15 In compliance with the aforesaid MCA Circulars and SEBI Circular dated May 12, 2020, Notice of the AGM along with the Annual Report 2019-20 is being sent only through electronic mode to those Members whose email addresses are registered with the Company/ Depositories. Members may note that the Notice and Annual Report 2019-20 will also be available on the Company's website www.modernindia.co.in, websites of the Stock Exchanges i.e. BSE Limited at www.bseindia.com, and on the website of CDSL.
- 16 As per Regulation 40 of SEBI Listing Regulations, as amended, securities of listed companies can be transferred only in dematerialized form with effect from, April 1, 2019, except in case of request received for transmission or transposition of securities. In view of this and to eliminate all risks associated with physical shares and for ease of portfolio management, members holding shares in physical form are requested to consider converting their holdings to dematerialized form. Members can contact the Company or Company's Registrars and Transfer Agents, Satellite Corporate Services Pvt Ltd for assistance in this regard.
- 17 In compliance with the provisions of Section 108 of the Companies Act, 2013 and the Rules framed thereunder, and Regulation 44 of Securities And Exchange Board of India (Listing Obligations And Disclosure Requirements) Regulations, 2015, the Company is pleased to provide the Members the facility to cast their vote electronically, through the e-voting services provided by CDSL, on all the resolutions set forth in this Notice. The facility of casting votes by a member using remote e-voting system before the Meeting as well as e-voting during the AGM, will be provided by CDSL.
- 18 A person, whose name is recorded in the Register of Members or in the Register of Beneficial Owners maintained by the depositories as on the cut-off date i.e only shall be entitled to avail the facility of remote e-voting before the AGM as well as e-voting during the AGM. Any person who is not a member as on the cut-off date should treat this Notice for information purpose only. Any person, who acquires shares of the Company and becomes a Member of the Company after sending of the Notice and holding shares as of the cut-off date, may obtain the User ID and Password by sending a request at helpdesk.evoting@cdslindia.com
- 19 The Chairman shall, at the AGM allow voting by use of e-voting system for all those Members who are present during the AGM through VC/OAVM but have not cast their votes by availing the remote e-voting facility before the AGM. The e-voting module during the AGM shall be disabled by CDSL for voting 30 minutes after the conclusion of the Meeting
- 20 All documents referred to in the accompanying Notice and the Explanatory Statement shall be open for inspection at the Registered Office of the Company during normal business hours (10.00 a.m to 5.00 p.m) on all working days except Saturdays and Sundays (including Public Holidays) up to the date of the Annual General Meeting. Members who wish to inspect the relevant documents referred to in the Notice can send an email to info@modernindia.co.in to set up a prior appointment to come and inspect the said documents.