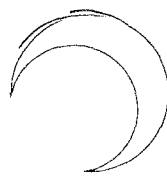
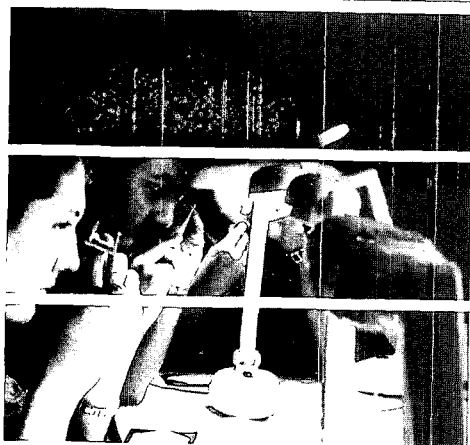


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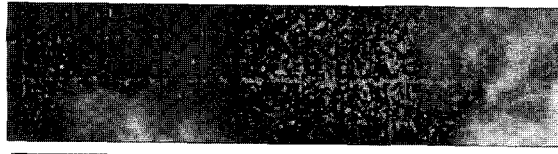


**MODERN™ INDIA LTD**



ANNUAL REPORT - 2007 - 08

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He who would climb the ladder  
must begin at the bottom

- who hold shares in physical form are requested to write their Folio Number in the Attendance Slip for attending the Meeting.
- 8) The Register of Members and Share Transfer Books of the Company will remain closed from Tuesday, the 8<sup>th</sup> July, 2008 to Wednesday, the 16<sup>th</sup> July, 2008 (both days inclusive) for determining the names of members eligible for the final dividend on Equity Shares, if declared at the Meeting and for the Annual General Meeting.
  - 9) The dividend on Equity Shares of the Company as recommended by the Board of Directors of the Company, when sanctioned at the Annual General Meeting of the Company, will be made payable within 30 days of the date of declaration i.e. 16<sup>th</sup> July, 2008, to the Company's Equity Shareholders, who are entitled for the Dividend as on Wednesday, the 16<sup>th</sup> July, 2008, whose names stand registered on the Company's Register of Members:
    - a. as Beneficial Owners as at the end of business on 15<sup>th</sup> July, 2008 as per the list provided by National Securities Depository Limited and Central Depository Services (India) Limited in respect of the shares held in the electronic form and
    - b. As Members in the Register of Members of the Company after giving effect to valid transfers in physical form lodged with the Company on or before 7<sup>th</sup> July, 2008.
  - 10) 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.
  - 11) 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 Sec.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. It may please be noted that once the unclaimed/un-encashed dividend is transferred to the "Investor Education & Protection Fund"(IEPF), no claim shall lie in respect of such amount by the shareholder. The unclaimed Dividend for the year 2000-2001 is due to be transferred to the IEPF on September 28, 2008. Members wishing to claim dividends, which remain unclaimed for the year 2000-2001 and onwards, are requested to correspond with the Company's Registrars & Transfer Agents, along with full particulars.
  - 12) Members desirous of making nomination as permitted under Section 109A of the Companies Act, 1956 in respect of the physical shares held by them in the Company, can make nominations in Form 2B. The Members holding shares in demat form may contact their respective depository participants for such nominations.
  - 13) 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, for consolidation into a single folio.
  - 14) It has been observed that some members have still not surrendered their old Share Certificates for Equity Shares of Rs 50/- each for exchange with the then new Share Certificates for Equity Shares of Rs 10/- each.  
  
Subsequently, the Company has further sub-divided its Equity Shares of Rs.10/- each in 5 Equity Shares of Rs.2/- each, on February 1, 2008.  
  
The Members are once again requested to surrender the old Share Certificates for Equity Shares of Rs 50/- each or Rs.10/- each, as the case may be, to the RTA or the Company to exchange for the Equity Shares of Rs.2/- each.
  - 15) As per the approval granted by the Central Government under section 212(8) of the Companies Act, 1956; copy of Balance Sheet, Profit and Loss Account, Report of the Board of Directors 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/investor of the Company. Further the Company will make available these documents to any member/investor upon request.

Mumbai  
Dated: 4<sup>th</sup> June, 2008  
**Registered Office:**  
Modern Centre,  
Sane Guruji Marg,  
Mahalaxmi,  
MUMBAI - 400 011.

By Order of the Board of Directors  
**AJIT P. WALWAIKAR**  
G.M. (Legal) & Company Secretary

## NOTICE

NOTICE is hereby given that the Seventy-Fourth Annual General Meeting of the Members of Modern India Limited will be held at the Registered Office of the Company at Modern Centre, Sane Guruji Marg, Mahalaxmi, Mumbai 400 011 on Wednesday, the 16<sup>th</sup> day of July, 2008 at 11.00 a.m. to transact the following business:

### ORDINARY BUSINESS

1. To receive, consider and adopt the Balance Sheet as at 31<sup>st</sup> March, 2008 and the Profit & Loss Account for the year ended as on that date and the Reports of the Directors and Auditors thereon.
2. To declare final dividend on the Equity Shares for the year ended 31<sup>st</sup> March, 2008 and approval of the interim dividend already paid.
3. To appoint a Director in place of Mr. Rusi N. Sethna, who retires from office by rotation and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Mrs. Gauri V. Jatia, who retires from office by rotation and being eligible, offers herself for re-appointment.
5. To appoint Auditors of the Company to hold office from the conclusion of this meeting until the conclusion of the next Annual General Meeting of the Company, and to fix their remuneration, and for that purpose, to pass the following Resolution, as an **Ordinary Resolution**:

**"RESOLVED** that pursuant to the provisions of Section 224 and other applicable provisions, if any, of the Companies Act, 1956, Messrs. K.S. Aiyar & Company, Chartered Accountants, the retiring Auditors, be and are hereby re-appointed as the Auditors of the Company to hold office from the conclusion of this Meeting until the conclusion of the next Annual General Meeting of the Company and that the Board of Directors of the Company be and is hereby authorized to fix their remuneration for the said period and reimbursement of actual out of pocket expenses, as may be incurred in the performance of their duties.

### SPECIAL BUSINESS

6. To consider and if thought fit, to pass with or without modification(s), the following Resolution as a **Special Resolution**:  
**"RESOLVED THAT**, pursuant to Section 314 of the Companies Act, 1956, consent of the Company be and is hereby given to Mr. Mudit V. Jatia, a relative of Mr. Vijay Kumar Jatia, Chairman & Managing Director and Mrs. Gauri V. Jatia, Directress of the Company, to hold an office of profit under the Company as the Executive with effect from 1<sup>st</sup> August, 2008 on such remuneration as may be decided by the Board of Directors, from time to time, but so as not to exceed Rs.50,000 p.m."

### NOTES:

- 1) A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING (THE MEETING) IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON A POLL INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE INSTRUMENT APPOINTING A PROXY SHOULD, HOWEVER, BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN FORTY-EIGHT HOURS BEFORE THE COMMENCEMENT OF THE MEETING.
- 2) The Explanatory Statement pursuant to Section 173 of the Companies Act, 1956 in respect of the business at item No. 6 is annexed hereto.
- 3) **The ISIN of new Equity Shares of Rs.2/- each is INE251D01023.**
- 4) Corporate Members intending to send their authorized representatives to attend the Meeting are requested to send a certified copy of the Board Resolution authorizing their representative to attend and vote on their behalf at the Meeting.
- 5) In terms of Article 112 of the Articles of Association of the Company, Mr. Rusi N. Sethna and Mrs. Gauri Jatia, retire by rotation at the ensuing Annual General Meeting and being eligible offer themselves for re-appointment. Brief resume of these Directors, nature of their expertise in specific functional areas and names of Companies in which they hold directorships and memberships/chairmanships of Board Committees, as stipulated under Clause 49 of Listing Agreement with the Stock Exchange, are provided in the Report on Corporate Governance forming part of the Annual Report along with this Notice. The Board of Directors of the Company commends their respective re-appointments.
- 6) Members are requested to bring their attendance Slip along with their copy of Annual Report to the Meeting.
- 7) Members who hold shares in dematerialized form are requested to write their Client ID and DP ID Numbers and those

## ANNEXURE TO NOTICE

### EXPLANATORY STATEMENT AS REQUIRED PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956

The following Explanatory Statement sets out all the material facts relating to the SPECIAL BUSINESS mentioned under Item No. 6 of the accompanying Notice:

#### Item No.6

Mr. Mudit V. Jatia who has been selected by your Board of Directors to hold the position of Executive of the Company, inter alia, at a salary of Rs. 40,000 p.m. with such yearly increment as may be decided by the Board every year but so as not to exceed Rs.50,000 p.m. at any time. Mr. Mudit Jatia is a relative of Mr. Vijay Kumar Jatia, Chairman & Managing Director and Mrs. Gauri V. Jatia, Directress of the Company.

For an appointment of a relative of Director to an office or place of profit in a company, Section 314(1B) of the Companies Act, 1956 requires passing of a Special Resolution. However, where such appointment carries a monthly remuneration exceeding Rs.50,000 p.m., the provisions of Director's Relatives (Office or Place of Profit) Rules, 2003 require prior approval of the Central Government.

In the case of the appointment of Mr. Mudit Jatia, his remuneration shall not exceed Rs.45,000 p.m. and hence no prior approval of the Central Government is required and only Special Resolution passed by the Members of the Company, in their meeting, is sufficient to give effect to his appointment on such remuneration. Hence, this Special Resolution is preferred to the Members in their 74<sup>th</sup> Annual General Meeting.

Mr. Mudit Jatia (21) is the Graduate of the University of Connecticut, the US with Major-Bachelor of Arts in Economics and Minor-Entrepreneurship. He has undergone training in the Real Estate Department, the Purchase Department and the Textile Mill Division of the Company. He has contributed his talent to the Company in the past and was instrumental in instituting and developing Indian Institute of Jewellery (IIJ) which is now Company's subsidiary. He also designed and implemented the premises for a gemology department and a gem testing laboratory of IIJ. Your Directors are confident that under his rich vision, the Company will make a big stride in various activities in which he has obtained training and experience.

Except Mr. Vijay Kumar Jatia and Mrs. Gauri V. Jatia, no other Director is concerned or interested in this Resolution and recommends your acceptance thereof in the interest of the Company.

Mumbai  
Dated: 4<sup>th</sup> June, 2008

**Registered Office:**  
Modern Centre,  
Sane Guruji Marg,  
Mahalaxmi,  
MUMBAI - 400 011.

By Order of the Board of Directors  
**AJIT P. WALWAIKAR**  
G.M. (Legal) & Company Secretary



# MODERN INDIA LIMITED

Regd. Office : Modern Centre, Sane Guruji Marg, Mahalaxmi, Mumbai 400 011

## PROXY

I/We \_\_\_\_\_  
being a member/members of MODERN INDIA LIMITED hereby appoint \_\_\_\_\_  
of \_\_\_\_\_ or failing him \_\_\_\_\_  
of \_\_\_\_\_ as my/our proxy to vote for me/us and on my/our behalf  
at the SEVENTY-FOURTH ANNUAL GENERAL MEETING of the Company to be held at 11.00 A.M. on Wednesday, the  
16<sup>th</sup> July, 2008 or any adjournment thereof.

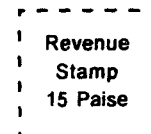
Dated \_\_\_\_\_

Folio No. \_\_\_\_\_

DP ID \_\_\_\_\_

CI. ID No. \_\_\_\_\_

No. of Shares \_\_\_\_\_



Signature \_\_\_\_\_

Note: Proxies must reach the Company's Registered Office not less than 48 hours before the meeting.



# MODERN INDIA LIMITED

## ATTENDANCE SLIP

To be filled in and handed over at the entrance of the Meeting Hall

Dated \_\_\_\_\_

Folio No. \_\_\_\_\_

DP ID \_\_\_\_\_

CI. ID No. \_\_\_\_\_

No. of Shares \_\_\_\_\_

Name of the attending Member (in BLOCK LETTERS)

Name of the Proxy (in BLOCK LETTERS)  
(To be filled in if the Proxy attends instead of the Member)

I hereby record my presence at the SEVENTY-FOURTH ANNUAL GENERAL MEETING at the Registered Office of the  
Company at Modern Centre, Sane Guruji Marg, Mahalaxmi, Mumbai 400 011 on Wednesday, the 16<sup>th</sup> July, 2008 at  
11.00 a.m.

Member's/Proxy's Signature \_\_\_\_\_

\* Applicable to investors holding shares in electronic form.

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## CONTENTS

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	Page Nos.
From the Desk of the Chairman	
Directors' Report	1
Management Discussion & Analysis Report	6
Corporate Governance	8
Auditor's Report	19
Balance Sheet	22
Profit & Loss Accounts	23
Schedules to the Accounts	24
Balance Sheet Abstract	40
Cash Flow Statement	41
Consolidated Financial Statements	42
Consolidated Results	43

## FROM THE DESK OF THE CHAIRMAN



Dear Shareholders,

With great pleasure I like to inform you that your Company will be completing 75 years of incorporation in October, 2008. During this long journey, it has been steered through many rough weathers with the guidance of the Board of Directors and your unflinching support. As you are well aware, the Company was referred to BIFR and after a rehabilitation scheme, the Company re-started its operations in the year 1996. As a part of the package, Belvedere Court, a forty storey residential complex, one of its kind at that point of time, was constructed and handing over of the possession was started in the year 2000. As a strategy, the Company retained 12% of the built-up area, of the said complex, which was given on Leave-and-License basis, thereby collecting substantial deposit amount and commensurate rentals. This ensured the appreciation in the price of the property to the Company at the same time deposits to support business being a permanent source of funding. The same model was extended to the Modern's premise which has a built-up area of about 150,000 sq. ft. The property was completely renovated and put on the same model of Build-Own-Lease, as commercial space named Modern Centre. Modern Centre is now fully occupied and housing renowned entities and enjoying state-of-the-art amenities. Build-Own-Lease model of holding of properties is an extension of REIT's model, i.e., Real Estate Investment Trusts, widely in use in Singapore and European Union and now being promulgated in the Indian market by SEBI.

It gives me immense pleasure to share with you that your Company during financial year 2007-08 figured amongst the top 1000 companies of India, listed on the Bombay Stock Exchange Limited. Your company has secured a position of 990 in the rankings published by Business Today in the December 16, 2007 publication. Your Company has also been positioned at 295 in the Dalal Street Small Cap 400 rankings 2007.



It gives me great satisfaction to inform you that we have now received permission from the State Government allowing us to use all our properties in South Mumbai for commercial development. The total area to be developed /re-developed would be about 800,000 sq. ft. Formalities for approval to develop its Land Bank with Municipal Corporation of Greater Mumbai have been initiated and, in due course, we shall keep you informed of the developments. Your Board of Directors have consciously taken a decision to primarily focus on real estate and as a part of this vision, we have acquired industrial land at Khopoli and now developing it as an Electronic Hardware & Software, including IT/ITES, Special Economic Zone [SEZ], through a wholly owned subsidiary, Modern India Property Developers Ltd. We have received the formal approval from the Ministry of Commerce & Industry and the process of notification is in progress.

We are hoping that construction would start in the next couple of months. To give a distinct identity to the Group, all Companies are now operating under the Banner of Modern India Enterprise .

The Board of Directors of the Company has decided to set up a Free Trade Warehousing Zone (FTWZ) at Panvel, in the Raigad District. Steps have been initiated to conduct feasibility study for the said project.

The real estate industry in India is around USD 15 billion currently and is expected to touch USD 50 billion by the year 2010 (source: Merrill Lynch). Of the above, 80% is accounted for by the residential sector. Many suburban areas in Mumbai, Delhi (NCR) Bangalore and Chennai have witnessed over 50% appreciation in the value over the last 2 years. As per Mckinsey Report, the demand for new residential housing is to touch about 4 billion sq.ft.by 2015. IT/ITES is growing at a phenomenal pace, a recent study by NASSCOM and SSKI estimates demand of 160 million sq. ft. for commercial real estate in the next 4 years. The Commonwealth Games is to give a fillip to the commercial real estate sector. It is estimated that the demand from the organized retail format is estimated to reach 220 million sq. ft. by 2020.

Initiatives by the Government to develop infrastructure in a big way is also supporting the real estate and infrastructure sector to grow rapidly.

Modern India Limited continues to invest in high quality, eco-friendly real estate and infrastructure which are flavor of time and continues to be an engine of growth capitalizing on of its ability to reinvent the business module in sync with prevailing trends. Given the secular long term growth trend forecast, for real estate and infrastructure industry, your Company is building a customer centric organization that is agile and poised to take advantage of opportunities across the markets.

With Best Wishes,

Vijay Kumar Jatia  
Chairman and Managing Director

## BOARD OF DIRECTORS



**Mr. Vijay Kumar Jatia**  
Chairman & Managing Director



**Mr. Rusi N. Sethna**  
Director



**Mr. Rajas R. Doshi**  
Director



**Mr. Anand Didwania**  
Director



**Mr. Jimmy F. Pochkhanwalla**  
Director



**Mr. Pradip Kumar Bubna**  
Director



**Mrs. Gauri Jatia**  
Director