

**BANKERS**

PUNJAB NATIONAL BANK  
SHAMRAO VITHAL CO-OPERATIVE BANK  
ING VYSYABANK

**AUDITORS**

K. S. AIYAR & COMPANY

**COMPANY SECRETARY**

VIJAY KUMAR MODI  
G.M. (LEGAL) & COMPANY SECRETARY

**REGISTERED OFFICE**

MODERN CENTRE, SANE GURUJI MARG  
MAHALAXMI, MUMBAI - 400 011.

**SHARE TRANSFER AGENTS**

SATELLITE CORPORATE SERVICES PVT. LTD.  
B-302, SONY APARTMENT, OPP. ST. JUDE HIGH SCHOOL  
OFF. ANDHERI KURLA ROAD, JARIMARI, SAKINAKA,  
ANDHERI (EAST), MUMBAI 400 072.

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## FROM THE DESK OF THE CHAIRMAN

My Dear fellow Shareholders,

This past year has been witness to several ups and downs – we have seen to some extent revival of the capital markets, easing of interest rates and inflation. The Indian Rupee continues to be extremely volatile which is a big concern for almost all industries and traders. The government continues to be in shambles as one corruption outbreak leads to another. In what is most likely to be an election year in India, it seems unlikely that the government will be able to take any major policy decisions owing to the compulsions of coalition politics. The global economic crisis is in no way behind us and doing business in today's scenario is becoming more and more challenging. FII investments continue to exit India which is having a major downward pressure on the stock exchange and the currency. The notion that India is to some extent delinked from the rest of the world holds no good any longer as the impact can be seen by the downgrade in ratings by several agencies. Manufacturing data also seems to be somewhat of a concern. All in all there seems to be no respite in the business regime.

As informed last year, the company has entered into the commodity trading business in a big way and so far this has yielded handsome returns for us. The company has also been active in the investments and finance arena to some extent to optimize the return of its treasury. We have been able to develop a strong book with diversified investments under the watchful eye of the board to help us hedge our investments so as not to be caught in a situation of having all eggs in one basket.

The company's endeavour to redevelop its South Mumbai properties is on track and is expected to kick off as per schedule. We are also exploring different opportunities in this arena and have managed to acquire some land in Alibaug in this past year where we are hopeful to venture into construction. We are also evaluating and negotiating at this point some projects which are available at distress value considering the depressed real estate market.

Your international subsidiary Modern International (Asia) Ltd. has also performed well in this past year. Trading volumes have topped US\$12.81 Million as compared to US\$12.05 Million in the past fiscal. We have received good response to the building and construction material segment which we have entered into last year and are hopeful that it will display good results in this coming year. Textiles and luggage continue to remain our strength and we have witnessed strong growth in these segments.

Indian Institute of Jewellery (IIJ), a division of our company is continuing to strive for excellence. Our past tie ups with the Mumbai University has been a strong driver of growth. IIJ continues to operate on the vision of becoming a global leader in the field of gems and jewellery education and being a one stop shop for this industry.

Your company has also complied with SEBI's mandate of having a Minimum Public Shareholding (MPS) of 25%. The promoters have divested approximately 11.15% totalling to 4,186,113 shares via the Offer for Sale (OFS) mechanism of the Bombay Stock Exchange.

In spite of the challenging atmosphere, your company has had an upbeat performance in this past financial year, which has seen impressive growth in both the top line and the bottom line. Income has increased from ₹303.64 Crores last year to ₹455.34 Crores this financial year. Likewise Net Profit has increased from ₹0.31 Crores to ₹4.94 Crores in this past year. Looking at the strong performance of the company your Board of Directors were pleased to recommend a dividend of 25% for this financial year.

Best Wishes,

Vijay Kumar Jatia

Chairman & Managing Director

## NOTICE

**NOTICE** is hereby given that the Seventy-Ninth 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 Tuesday the 23rd day of July, 2013 at 4.00 p.m. to transact the following business.

### ORDINARY BUSINESS

1. To receive, consider and adopt the Balance Sheet as at 31<sup>st</sup> March, 2013 and the Profit & Loss Account for the year ended as on that date and the Reports of the Directors and the Auditors thereon.
2. To declare dividend on the Equity Shares for the year ended 31<sup>st</sup> March, 2013.
3. To appoint a Director in place of Shri. Rajas R Doshi, who retires from office by rotation and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Shri. Pradip K Bubna, who retires from office by rotation and being eligible, offers himself 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

To consider and if thought fit, to pass with or without modification(s), the following Resolution as a **Special Resolution**:

- 6 **"RESOLVED THAT** in accordance with the provisions of Section 31 and all other applicable provisions, if any, of The Companies Act, 1956, the following article numbered as 135 A be inserted after the existing Article No. 135 of the articles of Association of the Company."

#### ARTICLE 135 A

Notwithstanding anything contained in The Companies Act, 1956 ( as amended from time to time including any re-enactment thereof ) and any other law for the time being in force, Shri Vijaykumar Jatia shall be a Permanent Director and he shall be the Chairman & Managing Director of the Company and he shall not be liable to retire and shall preside over the meetings of the Board of Directors and the General meetings of the Company.

- 7 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 read with Director's Relatives (Office or Place of Profit) Rules, 2011 and other applicable provisions, if any, of The Companies Act, 1956 and based on the recommendation of the Remuneration Committee and the Board of Directors, the consent of the Company be and is hereby accorded to the appointment of **Shri. Sidhant Jatia**, son of Shri. Vijay Kumar Jatia, Chairman & Managing Director and Smt. Gauri Vijaykumar. Jatia, Director of the Company, to hold an office or place of profit in the Company as an Executive at Monthly Remuneration not exceeding Rs. 2,50,000/- with effect from **01.10.2012** on the terms and conditions as mutually agreed between the Board and Shri Sidhant Jatia.

Perquisites: In addition to the aforesaid salary, he shall be entitled to the following perquisites:

Fully Furnished Residential accommodation owned/taken on Leave & License by the Company or House rent allowances for premises owned /taken on Leave & License by him together with utilities such as gas, electricity, water, furnishings, repairs, servants' salaries, society charges and property taxes.

Reimbursement of the Medical Expenses incurred for the self and family and medical/ accident insurance;

Personal Accident Insurance in accordance with the rules specified by the Company as may be agreed to by the Board of Directors;

Leave Travel concession for self and family once in a year in accordance with the rules of the Company or as may be agreed to by the Board of Directors.

Provision for Car with driver, Fees of clubs/annual membership fees and/or admission/entrance fees, Telephone (including Cell phone) and Internet facilities at the residence of the Executive shall not be treated as perquisites.

Return holiday passage once in a year by economy class or once in two years by first class to the children and to the members of the family from the place of their study or stay abroad to India if they are not residing in India with him.

Bonus/Ex-gratia as per the Rules of the Company.

The above perquisites shall be evaluated as per the Income Tax Rules, wherever applicable. In the absence of such rules perquisites will be evaluated at actual cost.

Contribution to Provident Fund, Superannuation Fund or Annuity Fund to the extent these either singly or put together are not taxable under the Income Tax Act, 1961;

Gratuity payable at the rate not exceeding half a month's salary for each completed year of service;

Earned privilege leave at the rate of one month's leave for every year. The Executive shall be entitled to encash the leave as per the Company's Rules; and

The Executive shall be entitled to the reimbursement of expenses incurred in connection with the business of the Company.

**RESOLVED FURTHER THAT** the Board of Directors be and is hereby authorized to review, revise, increase or enhance the remuneration, perquisites and benefits to be paid or provided to Shri **Sidhant Jatia** in accordance with the relevant provisions in the Companies Act, 1956 and/or the rules and regulations made hereinafter and/or relaxation or revision in the **Director's Relatives (Office or Place of Profit) Rules, 2011** as may be made and/or announced by the Central Government from time to time.

**RESOLVED FURTHER THAT** the Board be and is hereby authorized to do all such acts, deeds and things and to execute all such documents, instruments and writings as may be required and to delegate all or any of its powers herein conferred to any Committee of Directors or any Director or Officer to give effect to the aforesaid resolution.

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 Nos. 6 and 7 is annexed hereto.
- 3) **The ISIN of new Equity Shares of ₹ 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, **S/Shri. Rajas R Doshi and Shri Pradip K Bubna**, 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 the Companies in which they hold directorships and memberships/chairmanships of Board Committees, as stipulated under Clause 49 of the Listing Agreement with the Bombay Stock Exchange Limited, are provided in the Report on Corporate Governance forming part of the Annual Report along with this Notice.
- 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 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 16<sup>th</sup> July 2013 to Tuesday the 23<sup>rd</sup> July 2013 (both days inclusive) for determining the names of members eligible for the dividend on Equity Shares, if declared at the Annual General Meeting

- 9) The dividend on Equity Shares of the Company as recommended by the Board of Directors of the Company, when approved at the Annual General Meeting of the Company, will be made payable within 30 days of the date of declaration i.e. Tuesday the 23<sup>rd</sup> July 2013 to the Company's Equity Shareholders, who are entitled for the Dividend as on Tuesday the 23<sup>rd</sup> July 2013 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 2013** 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 **15<sup>th</sup> July, 2013**
- 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 2005-2006 is due to be transferred to the IEPF on August 29th, 2013. Members wishing to claim dividends, which remain unclaimed for the year **2005-2006 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, (RTA) 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 ₹ 50/- each for exchange with the then new Share Certificates for Equity Shares of ₹ 10/- each. Subsequently, the Company has further sub-divided its Equity Shares of ₹ 10/- each in 5 Equity Shares of ₹ 2/- each, on **February 1, 2008**. The Members are once again requested to surrender the old Share Certificates for Equity Shares of ₹ 50/- each or ₹ 10/- each, as the case may be, to the RTA or the Company to exchange for the Equity Shares of ₹ 2/- each.
- 15) As per the General Exemption granted by the Central Government vide the General Circular No. 2/2011 dated 8.2.2011, copy of Balance Sheet, Profit and Loss Account, and 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.
- 16) **As per Circular No. 18/2011 dated 29.04.2011 issued by the Ministry of Corporate Affairs for Green Initiative enabling companies to send Annual Reports and other communication to the shareholders by e-mail in order to dispense with use of paper and save trees, an appeal is being made to the shareholders to exercise option to receive the Annual Reports and other communications by them by e-mail instead of physical copies of the same and for that purpose inform your e-mail addresses to the Company or the RTA or your DPs in token of consenting to receiving the communications by e-mail. However, upon request, physical copies will also be sent to the shareholders.**  
  
 Company's website [www.modernindia.co.in](http://www.modernindia.co.in) will be uploaded with the above documents well before the mandatory period and the copies of the aforesaid documents will be available for inspection at the Registered Office of the Company also.
- 17) **Unclaimed Shares:** Under Clause 5A (g) of the Listing Agreement, there are **12,03,750** unclaimed shares as per the details furnished by Registrar & Share Transfer Agent Satellite Corporate Services Pvt. Ltd.

There are 2011 Folios covering 12,03,750 equity shares of the Company of face value of Rs.2/- each received back as undelivered.

**Third** reminder is being sent to the shareholders for getting their confirmation.

Subject to their confirmation after sending the above reminders, the Company shall proceed to demat the shares in the name of "**UNCLAIMED SHARES DEMAT SUSPENSE ACCOUNT**".

The voting rights of these shareholders shall remain frozen till the rightful owner claims the shares

By Order of the Board of Directors

**VIJAYKUMAR MODI**

G.M. (Legal) & Company Secretary

Mumbai  
Dated: 4<sup>th</sup> May, 2013

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

## **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 Nos. 6 and 7** of the accompanying Notice:

**Item No. 6 :** Shri Vijay Kumar Jatia has been the Chairman and Managing Director of the Company since 1994. The Board is of the opinion that the Company has hugely benefited from his leadership and vision and to maintain the growth and success of the Company, it is necessary that there is stability in the top management of the Company.

Accordingly, the Board recommends the proposed resolution for the approval of the members. Except for Shri Vijay Kumar Jatia and Smt. Gauri V. Jatia, no other Director is concerned or interested in the said Resolution. The Board commend the said resolution for your acceptance.

The memorandum and articles of association of the Company are available for inspection by the members of the Company between 11.00 a.m. and 1.00 p.m. on any of the working days up to the date of the previous day of the 79<sup>th</sup> AGM.

**Item no. 7 :** Shri Sidhant Jatia was appointed as an Executive with effect from 1st October, 2012 by the Board of Directors in their meeting held on 26<sup>th</sup> October, 2012. To achieve the Company's proposed growth plans more particularly in the areas of International Trading Activities and considering his maturity and foresight in identifying opportunities and guiding the Company's business initiative, hence, it will be in the interest of the company to appoint **Shri Sidhant Jatia as an Executive**.

The Salary and the Perquisites payable to him as indicated in the resolutions (supra) is placed before the Shareholders for their approval.

The Board recommends the said special resolutions in the interest of the Company.

Shri. Vijay Kumar Jatia and Smt. Gauri Jatia shall be regarded as interested in the said resolutions being relatives of Shri Sidhant Jatia.

By Order of the Board of Directors

**VIJAYKUMAR MODI**

G.M. (Legal) & Company Secretary

Mumbai  
Dated: 4<sup>th</sup> May, 2013

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

## DIRECTORS' REPORT

To the Members,

The Directors have pleasure in presenting the Seventy-ninth Annual Report of the Company along with the Audited Accounts for the year ended 31<sup>st</sup> March, 2013.

## FINANCIAL RESULTS

(₹ in lacs)

	Financial Years	
	2012-13	2011-12
<b>Gross profit before Depreciation</b>	<b>948.74</b>	<b>712.41</b>
Less Depreciation / Amortization	156.21	166.23
<b>Profit before tax</b>	<b>792.53</b>	<b>546.18</b>
Less : Exceptional Expenditure	162.89	586.43
Provision for Taxation	119.50	-
Less MAT credit entitlement	69.40	50.10
Prior Period Expenses	15.02	-
Deferred Tax	70.93	(70.97)
<b>Profit after Tax</b>	<b>493.59</b>	<b>30.72</b>
Add: Balance brought forward	3350.92	3497.14
Balance available for appropriation	<b>3844.51</b>	<b>3527.86</b>
LESS : APPROPRIATION		
Proposed Dividend	187.71	150.17
Tax on distributed profit	30.45	24.36
Transferred to General Reserve	49.36	2.41
Balance carried to Balance Sheet	<b>3576.99</b>	<b>3350.92</b>

## DIVIDEND

Your Directors are pleased to recommend a dividend of ₹. 00/50 ps. (25%) per Equity Share of ₹2/- each. The outgo for Dividend for the year amounts to ₹ 218.16 Lacs including the Dividend Distribution Tax.

## BUSINESS OPERATIONS

The business segments of the Company consist of Real Estate, Business Centre, Trading and Jewellery Training Institute.

### Real Estate

The year 2012 was a challenging year for the Indian real estate sector marked by declining volumes, over supply and lack of sustained economic activity. The leasing business witnessed a slowdown due to factors such as oversupply, lower foreign investments and poor domestic triggers. The retail segment, however, witnessed a mixed year as overcapacities got absorbed. As for the residential segment, the same remained muted. The trends varied in different markets with some witnessing price correction and other seeing higher volume growth.

On an overall basis, companies from the real estate sector faced issues related to higher interest costs on the back of leveraged balance sheets.



India requires quality infrastructure. This simple fact is the long term driver of the real estate sector as infrastructure investments are the most important growth driver for real estate companies. While short term factors will keep the sentiments subdued, over the long term, demand will remain strong. The proposed increase in allocation in the twelfth five-year plan (2012-2017) will translate into a healthy business for real estate companies.

**Your Company will continue to focus on building scale through sourcing land in a capital efficient manner and will continue to actively explore suitable re-development opportunities which will be value to the Company and its stakeholders**

**Business Centre:** During the year under review, Joint Venture agreement for running Business Centre has been concluded and activity of the Business Centre has come to an end. The revenue from the Business Centre has been ₹ 48.15 Lacs as compared to ₹ 429.34 Lacs in the previous year.

**Trading:** Trading activities consist of various commodities including cloth, yarn, sponge iron, steel flat products, paddy, castor etc. During the year, total sale of trading items were at ₹ 439.79 Crores as against ₹287.97 Crore in the corresponding previous year.

#### **SUBSIDIARY COMPANIES**

##### **MODERN INTERNATIONAL (ASIA) LIMITED, HONG KONG (MIAL)**

Modern International (Asia) Limited [MIAL] is into B2B segment Business. MIAL sources products, namely from China and S. E. Asian Countries and exports to its clientele in other countries. The range of product is wide and varied including textile, furniture, luggage, building / construction material, gift articles etc. In spite of lull prevailing in major parts of the world, MIAL has registered turnover of US\$ 12.8 million in Financial Year 2012-13 (previous year US\$12.05 million). Operations of the Company has stabilized and it recorded profit of US \$95,506 (previous year US \$45,396), before providing for loss of US \$95,000 due to cybercrime fraud. MIAL has chalked calibrated marketing plans and we expect to achieve higher turnover and profitability in the coming year.

The Statutory Auditors in their Report on the Consolidated Financial Statements for the year ended on March 31, 2013 have qualified their opinion as regards investments of about ₹ 27.90 Lacs made by its wholly owned subsidiary Modern International (Asia) Limited in its Associate concern and its carrying amount as at March 31, 2013. The Management is of the opinion that carrying amount of investment of ₹ 27.90 Lacs is fully realizable and in view of the steps initiated by the management, there is no permanent diminution in the value of aforesaid investments as at March 31, 2013.

##### **MODERN INDIA PROPERTY DEVELOPERS LIMITED (MIPDL):**

The available funds with the Company are deployed into real estate activities viz., Bookings of under construction residential and / or commercial space. Funds committed towards booking of under construction spaces and to be paid over a period of time, are placed with corporate entities fetching interest in the intervening period;

The Company has consciously invested into under construction spaces, which falls into affordable category wherein demand is reasonable and offers better exit opportunities;

Above scheme of things have worked well and during the financial year 2012-13, Company has earned profit before tax of ₹63.75Lac;

##### **MODERN INDIA FREE TRADE WAREHOUSING PRIVATE LIMITED (MIFTWPL)**

During the year identified land areas at Village SAI, Dist., RAIGAD, have been acquired. Balance advance payment made towards purchases of the land has been received back. The acquired land areas have potential and offers opportunities over a period of time.

##### **INDIAN INSTITUTE OF JEWELLERY (IIJ) – DIVISION OF THE COMPANY FOR VOCATIONAL TRAINING**

The Indian Institute of Jewelry (IIJ) is leading professional institute, recognized and accepted by the jewelry Industry for quality training, state-of-the art infrastructure and industry-relevant curriculum;

IJJ went through several changes during the year with deliberate shift in its long term vision and plans and has now remodeled itself both in terms of curriculum and delivery of programs to meet with the needs of the jewelry industry;

Tanishq today's leaders in the jewelry industry were one of the most active patrons of the graduation ceremony amongst seven other reputed companies; Indian Institute of Jewelry has recently signed an MOU with Somaiya College of Commerce for an on line program and Reliance Jewels for conditional placement of students

#### **ANNUAL ACCOUNTS OF SUBSIDIARY COMPANIES**

The Ministry of Corporate Affairs has granted general exemption from attaching a copy of Balance Sheet, Profit & Loss Account, and Report of the Board of Directors and Report of the Auditors of all the three Subsidiary Companies. Pursuant to the said general exemption/permission certain details are published about the Subsidiaries in Annexure to this report. Moreover, pursuant to the Accounting Standard 21 issued by the Institute of Chartered Accountants of India, the Company includes the financial information of the Subsidiaries in its notes to the Annual Accounts. Any member of the Company, desirous of inspecting the same, may inspect and/or request for copy of these documents or any details relating to these documents.

#### **DIRECTORS**

- A) Shri. Rajas R Doshi, Director of the Company, retire by rotation and, being eligible, offers himself for re-appointment.
- B) Shri. Pradip K Bubna Director of the Company, retire by rotation and, being eligible, offers himself for re-appointment.

Taking into consideration stake of the Promoters and with a view to continue to avail the services of Shri Vijay Kumar Jatia, as Chairman, it is necessary that there is stability in the top management of the Company. It is felt by the Board to make Shri Vijaykumar Jatia as Permanent Chairman. Your Directors recommend the resolution for approval.

#### **CONSOLIDATION OF ACCOUNTS**

In pursuance of the mandatory compliance of the Accounting Standard 21, as issued by the Institute of Chartered Accountants of India, the Company has presented Consolidated Financial Statements, for the year under Report, consolidating its Accounts with the Accounts of its Subsidiary Companies, Modern International (Asia) Limited, Modern India Property Developers Ltd. and Modern India Free Trade Warehousing Pvt. Ltd. as also accounts of the Joint Venture – Central Bombay Infotec Park to the extent of the investment made by the Company. A separate Report of the Statutory Auditors, on consolidated Financial Statements also forms part of the same.

**DEFERRED TAX** : The total net Deferred Tax liabilities as on 31.03.2013 are ₹ 115.66 lacs [Previous Year ₹ 44.72lacs]. ₹ 70.93 Lacs [Previous Year ₹ 70.97 Lacs credited] have been debited to Profit & Loss account of the year in respect of the Deferred Tax.

#### **AUDITORS' APPOINTMENT**

Members are requested to appoint Auditors and fix their remuneration. The present Auditors, Messrs K.S. Aiyar & Company, Chartered Accountants, hold office until the conclusion of the ensuing Annual General Meeting and being eligible, offer themselves for re-appointment.

#### **FIXED DEPOSITS**

During the year under Report, the Company has neither accepted nor renewed any Fixed Deposits, under Section 58A, read with Companies (Acceptance of Deposits) Rules, 1975.

#### **INSURANCE**

Adequate insurance cover has been taken for the properties of the Company including Stocks, Tools and Machineries, Furniture and Fixtures, Electronic and Electric Equipments, Vehicles and to cover Directors' and Officers' Liability.