



MODERN[®] INDIA LTD

80TH ANNUAL REPORT : 2013 - 2014

BOARD OF DIRECTORS



Mr. Vijay Kumar Jatia
Chairman & Managing Director



Mr. Anand Didwania
Director



Mr. Dilip Thakkar
Director



Mrs. Gauri Jatia
Director



Dr. Shivkumar Israni
Director



Mr. Rajas R. Doshi
Director



Mr. Pradip Kumar Bubna
Director



Mr. Kaiwan Kalyaniwalla
Director

BANKERS

PUNJAB NATIONAL BANK
SHAMRAO VITHAL CO-OPERATIVE BANK
ING VYSYABANK

AUDITORS

K. S. AIYAR & COMPANY

COMPANY SECRETARY

PARIND BADSHAH

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 witnessed a dramatic change in the political atmosphere of our country. After a gap of 3 decades we have seen the people of India deliver a clear mandate to one single political party and are now free from the shackles of the compulsions of coalition politics. The people have put a lot of faith in the new government and are expecting a dramatic shift in policy of the new government which we hope the new government will deliver and herald in a new era of robust growth of industry and infrastructure. However, the new government however does not have a magic wand and interest rates, volatile foreign exchange and inflation will continue to remain a challenge. The global economic scenario continues to remain flat although certain regions are now on the growth trajectory. All in all, it shall be a challenging

year ahead although investor sentiment is high and business houses are anticipating a new wave of growth.

With deep regret I inform you of the sad demise of one of our Directors, Mr Rusi Sethna. Mr Sethna was always a guiding star to the company and has been associated with our company for over 3 decades. His loss is a severe setback to the company as we are now devoid of his invaluable knowledge and experience. I would like to take this moment to express our condolences to his family and well-wishers and gratitude for the services provided to our company which has helped us reach where we are today.

Mr Kaiwan Kalyaniwala, Solicitor and senior partner of Maneckshaw & Sethna has consented to join our Board and he brings along with him about 25 years of experience. We are confident that he will add great value to our company.

Our company in this year under review has suffered a major setback in the commodity trading business and has been a victim of a major fraud involving about 13,000 investors in a scam of the magnitude of ₹ 5,600 crores. Your company has filed a Representative Suit in the Mumbai High Court and is hopeful of significant recovery of the amounts recoverable from NSEL.

The Company is in the process of setting up a 5 MW Solar Power Plant at Satara, Maharashtra. We are hopeful that it will be commissioned by September/October 2014.

Your company has acquired a 76% stake in M/s Verifacts Services Pvt. Ltd (Verifacts). Verifacts is involved in the business of HR services and specializes in background verification of employees. The management is confident that this is a growing business and shall reap handsome rewards in the future. The company also endeavours to become a one stop shop for all HR services and have a global footprint in the future.

Your Company's initiative to redevelop its South Mumbai properties is on track and is expected to kick off as per schedule. We have also entered into a Joint Development Agreement to develop about 25 acres of land in Boisar. We are on the lookout for new opportunities in this sector.

Your overseas subsidiary Modern International (Asia) Ltd has shown impressive growth with a revenues of US\$ 19.41 Million as compared to US\$ 12.81 Million last year. We have seen good demand across the board namely Textiles, Luggage and Building/construction Material and shall strive to maintain this momentum of growth this Financial Year.

Your company has witnessed a sharp fall in Revenues this past year clocking ₹ 159.83 crores against ₹ 455.23 crores, this is mainly due to halt in commodity trading, although this has not significantly affected the profitability of the company which stands at ₹ 4.06 crores against ₹ 4.94 crores last year.

It gives me immense pleasure to inform you that we have achieved the following milestones last year

- Ranked 253 by Inc India in the 5th Annual Ranking of 500 fastest growing mid-sized companies in India (September/October 2013, Vol 4, Issue 9)
- Ranked 974 in BT 1000 – India's Most Valuable Companies by Business Today (Nov, 10 2013)

Looking into the performance, the Board is pleased to recommend a Dividend of 25%

Best Wishes

Vijay Kumar Jatia
Chairman and Managing Director

NOTICE

NOTICE is hereby given that the 80th 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 23rd day of July, 2014 at 4.00 p.m. to transact the following business.

ORDINARY BUSINESS

1. To receive, consider and adopt the Balance Sheet as at 31st March, 2014 and the Statement of Profit & Loss 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 31st March, 2014, if any.
3. To appoint a Director in place of Smt. Gauri Jatia (DIN 00096766), liable to retire by rotation in terms of Section 152(6) of the Companies Act, 2013 and, being eligible, offers herself for re-appointment.
4. 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 139, 142 and other applicable provisions, if any, of the Companies Act, 2013, Messrs. K.S. Aiyar & Company, Chartered Accountants (Firm Registration No. 100186W), the retiring Auditors, be and is 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

5. To consider and if thought fit, to pass with or without modification(s), the following Resolution as **Ordinary Resolution**

Appointment of Shri. Rajas Ratanchand Doshi

“RESOLVED THAT pursuant to Section 149,152 and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013, Shri Rajas Ratanchand Doshi (DIN 00050594), non executive director of the Company, has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Act and is eligible for appointment be and is hereby appointed as an Independent director of the Company and shall hold office for a term of five years w.e.f 23rd July,2014.

6. To consider and if thought fit, to pass with or without modification(s), the following Resolution as **Ordinary Resolution**

Appointment of Shri. Anand Badriprasad Didwania

“RESOLVED THAT pursuant to Section 149,152 and any other applicable provisions of the Companies Act,2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013, Shri Anand Badriprasad Didwania (DIN 00022120), non executive director of the Company, has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Act and is eligible for appointment be and is hereby appointed as an Independent director of the Company and shall hold office for a term of five years w.e.f 23rd July, 2014.

7. To consider and if thought fit, to pass with or without modification(s), the following Resolution as **Ordinary Resolution**

Appointment of Shri. Dilip Jayantilal Thakkar

“**RESOLVED THAT** pursuant to Section 149,152 and any other applicable provisions of the Companies Act,2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013, Shri Dilip Jayantilal Thakkar (DIN 00007339), non executive director of the Company, has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Act and is eligible for appointment be and is hereby appointed as an Independent director of the Company and shall hold office for a term of five years w.e.f 23rd July,2014.

8. To consider and if thought fit, to pass with or without modification(s), the following Resolution as **Ordinary Resolution**

Appointment of Dr. Shiv Kumar Dhalumal Israni

“**RESOLVED THAT** pursuant to Section 149, 152 and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013, Dr. Shiv Kumar Dhalumal Israni (DIN 00125532) non executive director of the Company, has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Act and is eligible for appointment be and is hereby appointed as an Independent director of the Company and shall hold office for a term of five years w.e.f 23rd July,2014.

9. To consider and if thought fit, to pass with or without modification(s), the following Resolution as **Ordinary Resolution**

Appointment of Shri Kaiwan Dossabhoy Kalyaniwalla

“**RESOLVED THAT** pursuant to Section 149,152 and any other applicable provisions of the Companies Act,2013 and the rules made thereunder (including any statutory modification (s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act,2013, (the Act) Shri Kaiwan Dossabhoy Kalyaniwalla (DIN 00060776) who was appointed as an Additional Director pursuant to the provisions of Section 161(1) of the Act and who holds office upto the date of this Annual General Meeting and has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Act and in respect of whom the company has received a notice in writing under section 160 of the Act from a member proposing his candidature for the Office of director, be and is hereby appointed as an Independent director of the Company and shall hold office for a term of five years w.e.f 23rd July,2014.”

ANNEXURE TO NOTICE

Statement setting out material facts pursuant to Section 102 of the Companies Act, 2013 ("the Act") forming part of the notice.

Item No. 5,6,7 and 8 :

The Company had, pursuant to the provisions of Clause 49 of the Listing Agreement entered with the Stock Exchanges, appointed Shri Rajas Ratanchand Doshi, Shri Anand Badriprasad Didwania, Shri Dilip Jayantilal Thakkar and Dr.Shivkumar Dhalumal Israni as Independent Directors at various times, in compliance with the requirements of the Clause.

Pursuant to the provisions of Section 149 of the Act, which came in to effect from April 1, 2014, every listed company is required to have at least one-third of the total number of directors as independent directors, who are not liable to retire by rotation.

The matter regarding appointment of Shri Rajas Ratanchand Doshi, Shri Anand Badriprasad Didwania, Shri Dilip Jayantilal Thakkar and Dr.Shivkumar Dhalumal Israni as Independent Directors was placed before the Nomination & Remuneration Committee, which commends their appointment as Independent Directors for a term of five years w.e.f 23rd July,2014.

Shri Rajas Ratanchand Doshi, Shri Anand Badriprasad Didwania, Shri Dilip Jayantilal Thakkar and Dr.Shivkumar Dhalumal Israni, non-executive directors of the Company, have given a declaration to the Board that they meet the criteria of independence as provided under Section 149(6) of the Act.

In the opinion of the Board, Shri Rajas Ratanchand Doshi, Shri Anand Badriprasad Didwania, Shri Dilip Jayantilal Thakkar and Dr.Shivkumar Dhalumal Israni fulfill the conditions specified in the Act and the Rules framed thereunder for appointment as Independent Director and they are independent of the management.

In compliance with the provisions of Section 149 read with Schedule IV of the Act, the appointment of Shri Rajas Ratanchand Doshi, Shri Anand Badriprasad Didwania, Shri Dilip Jayantilal Thakkar and Dr.Shivkumar Dhalumal Israni as Independent Directors is now being placed before the Members in general meeting for their approval.

The terms and conditions of appointment of above Directors shall be open for inspection by the Members at the Registered Office of the Company during normal business hours on any working day, excluding Saturday.

A brief profile of the Directors to be appointed is given below:

Shri Rajas Ratanchand Doshi is a Non-Executive Independent Director of the Company. Shri. Doshi is the Chairman & Managing Director of The Indian Hume Pipe Limited, one of the leading civil construction Company in the country. He is also associated with other leading construction companies. His knowledge and industry experience has proved to be great value to MIL's growth.

Shri Anand Badriprasad Didwania is a Non-Executive Independent Director of the Company. He has over 47 years of experience in shipping and the clearing & forwarding business; he is also the President of the Air Cargo Association of India. His vast knowledge and technical know-how on Import-Export matter has been invaluable to the Company.

Shri Dilip Jayantilal Thakkar is a Non-Executive Independent Director of the Company. He is a graduate in Commerce and in Law from the University of Bombay. Besides, he is also a member of "The Institute of Chartered Accountant" and a practicing Chartered Accountant since 1961. He is a Senior Partner of M/s Jayantilal Thakkar and Company and M/s Jayantilal Thakkar Associates. He has specialized in Foreign Exchange Regulations.

Dr. Shivkumar Dhalumal Israni is a Non-Executive Independent Director of the Company. He is an Advocate and Partner of S.D. Israni Law Chambers. He is qualified in the field of law, Company Secretaryship and Management. He has over 37 years of experience as a practitioner in the field of Corporate Laws, Securities Laws and Business Advisory services.

Shri Rajas Ratanchand Doshi, Shri Anand Badriprasad Didwania, Shri Dilip Jayantilal Thakkar and Dr.Shivkumar Dhalumal Israni respectively, are concerned or interested in the Resolutions of the accompanying Notice relating to their own appointment.

Item No. 9

The Company has pursuant to Section 161(1) of the Companies Act, 2013 appointed Shri Kaiwan Dossabhoy Kalyaniwalla as an Additional Director of the Company with effect from 16th May 2014 who holds office upto the ensuing Annual General Meeting and being eligible offers himself for appointment.

The Company has received a notice in writing from a member alongwith the deposit of requisite amount under Section 160 of the Act proposing the candidature of appointed Shri Kaiwan Dossabhoy Kalyaniwalla for the office of Director of the Company.

Shri Kaiwan Kalyaniwalla has given a declaration to the Board that he meets the criteria of independence as provided under Section 149(6) of the Act.

The matter regarding appointment of Shri Kaiwan Kalyaniwalla as Independent Director was placed before the Nomination & Remuneration Committee, which commends his appointment as Independent Directors for a term of five years w.e.f 23rd July, 2014.

In the opinion of the Board, Shri Kaiwan Kalyaniwalla fulfills the conditions specified in the Act and the Rules framed thereunder for appointment as Independent Director and he is independent of the management.

In compliance with the provisions of Section 149 read with Schedule IV of the Act, the appointment of Shri Kaiwan Kalyaniwalla as Independent Director is now being placed before the Members in general meeting for their approval.

The terms and conditions of appointment of Shri Kaiwan Kalyaniwalla shall be open for inspection by the Members at the Registered Office of the Company during normal business hours on any working day, excluding Saturday.

A brief profile of Shri Kaiwan Kalyaniwalla, to be appointed is given below:

Shri Kaiwan Dossabhoy Kalyaniwalla is a Non-Executive Independent Director of the Company. He is a Solicitor and Advocate of Bombay High Court and a Partner of Maneksha & Sethna in Mumbai. He is enrolled as a Solicitor of the Supreme Court of England and Wales. He has over 23 years of experience in the field of Corporate Law, property laws, tax laws and general commercial laws.

Shri Kaiwan Dossabhoy Kalyaniwalla is concerned or interested in the Resolution of the accompanying Notice relating to his own appointment.

NOTES:

- 1) **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING (THE MEETING) IS ENTITLED TO APPOINT A PROXY/PROXIES TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY/PROXIES NEED NOT BE A MEMBER OF THE COMPANY. A person can act as proxy on behalf of members not exceeding fifty(50) and holding in aggregate not more than ten percent of the total share capital of the Company. IN CASE A PROXY IS PROPOSED TO BE APPOINTED BY A MEMBER HOLDING MORE THAN 10% OF THE TOTAL SHARE CAPITAL OF THE COMPANY CARRYING VOTING RIGHTS, THEN SUCH PROXY SHALL NOT ACT AS A PROXY FOR ANY OTHER PERSON OR SHAREHOLDER. The instrument appointing a proxy duly completed and signed should, however, be deposited at the registered office of the company not less than forty-eight hours before the commencement of the meeting. PROXIES SUBMITTED ON BEHALF OF THE COMPANIES, SOCIETIES ETC., MUST BE SUPPORTED BY AN APPROPRIATE RESOLUTION/AUTHORITY, AS APPLICABLE. A proxy form is sent herewith.**
- 2) The Statement setting out material facts pursuant to section 102 of the Companies Act, 2013, which sets out details relating to Special Business at the Meeting, it annexed hereto.
- 3) **The ISIN of the Equity Shares of ₹ 2/- each is INE251D01023.**

- 4) **AS PER COMPANIES (MANAGEMENT AND ADMINISTRATION) RULES, 2014 READ WITH CHAPTER VII OF THE COMPANIES ACT, 2013, THE SHAREHOLDERS OF THE COMPANY ARE REQUESTED TO FURNISH THEIR INFORMATION AS PER ANNEXURE ENCLOSED HERewith AND ARE REQUESTED TO SUBMIT THE SAME WITH SATELLITE CORPORATE SERVICES PRIVATE LIMITED – RTA OF MODERN INDIA LIMITED ON OR BEFORE 30TH SEPTEMBER, 2014.**
- 5) 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.
- 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 Saturday the 12th July 2014 to Wednesday the 23rd July 2014 (both days inclusive) –for annual closing and determining the entitlement of the shareholders to the final dividend, if declared
- 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. Wednesday the 23rd July 2014 to the Company's Equity Shareholders, who are entitled for the Dividend as on Wednesday the 23rd July 2014 whose names stand registered on the Company's Register of Members:
 - a. as Beneficial Owners as at the end of business hours on **11th July, 2014** 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 **12th July, 2014**
- 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.124 of the Companies Act, 2013, (not notified yet) by the Company to "The Investor Education & Protection Fund", constituted by the Central Government under Section (205C of the Companies Act, 1956) The unclaimed Dividend for the year 2006-2007 is due to be transferred to the IEPF on August 30th, 2014. Members wishing to claim dividends, which remain unclaimed for the year **2006-2007 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 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.