



MODERN[®] INDIA LTD

84th Annual Report 2017-2018



BOARD OF DIRECTORS



Mr. Vijay Kumar Jatia
Chairman & Managing Director



Mr. Anand Didwania
Director



Mr. Shivkumar Israni
Director



Mrs. Gauri Jatia
Director



Mr. Rajas R. Doshi
Director



Mr. Kaiwan Kalyaniwalla
Director



Mr. Pradip Kumar Bubna
Director

BANKERS

PUNJAB NATIONAL BANK
SVC CO-OPERATIVE BANK LTD
KOTAK MAHINDRA BANK LTD
BARCLAYS BANK PLC
YES BANK LTD
ICICI BANK LTD
CITI BANK N.A.
AXIS 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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FROM THE DESK OF THE CHAIRMAN

My dear fellow Shareholders,

The year under review has been very challenging. Markets have zoomed to 36000 with the projected GDP expected to be in the range of 7.4% - 7.8% in this financial year. The downturn in the economy due to the impact of demonetization and implementation of GST has begun to settle down and the economy is now on a growth trajectory. However, the volatility in global markets does not seem to be stabilizing with crude oil prices on an upward swing and the global trade scenario especially with China and USA's escalating trade war, sanction on Iranian oil and anticipated USA's war with North Korea breathing fire, the impact on the Indian Economy

could be severe.

The NSEL debacle continues, the Government of India has ordered the merger of NSEL with 63 Moons (erstwhile Financial Technologies Limited) however stay has been granted by the Hon'ble Supreme Court on an appeal filed by 63 Moons, hearing for which is expected on 29th August, 2018. The company's valuable resources being stuck have caused a major impact on the financials of the company. We are hopeful that the initiatives taken by the company will bear some favourable result and the investors would get their money back at the earliest.

Real Estate Regulatory Act (RERA) has been implemented and is making a big impact on the real estate sector. Our Company has entered into an agreement for sale with K Raheja Corp Pvt Ltd for developing Modern Centre, which has now been demolished and construction activity is expected to begin shortly once all requisite approvals are in place. The Company is also in the process of taking clearances for its Boisar project.

The company has deferred the commissioning of its 2 MW Solar Power plant at Satara, Maharashtra due to flip flop of policy by the government in the renewable energy sector.

Your company's subsidiary M/s Verifacts Services Pvt Ltd has achieved a turnover of ₹ 18.45 crores as against ₹21.44 crores in the corresponding previous year, down by 13.93 % due to the impact of the new H 1B visa rules implemented by the US and general reduction in recruitment across sectors due to demonitisation and implementation of GST. We hope to improve our growth during the current year. We have initiated many new measures like B2B, online chat facility, executed agreements with various agencies viz NSDL for PAN verification, e-KYC, Database Management and the Company is also in process of executing agreements with UIDAI and has also tied up with Transunion CIBIL, to ensure that we continue to have a competitive edge.

Your overseas subsidiary M/s Modern International (Asia) Ltd has registered a turnover of US \$ 6.75 million for the year 2017-18 as against US\$ 24.27 million for the year 2016-17, a significant drop due to downturn in the Chinese Economy. We are taking various new steps to make sure that we continue on the path of growth and are certain of improving our performance.

The company on a standalone basis has achieved turnover of ₹90.16 crores as against ₹ 66.37 crores in the year 2016-17. Unfortunately the company has sustained a loss of ₹4.70 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. The Directors are pleased to recommend a dividend of 15 % for the year.

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 84th Annual General Meeting of the Members of Modern India Limited will be held at Kamalnayan Bajaj Hall, Bajaj Bhavan, Ground Floor, Nariman Point, Mumbai-400021 on **Friday, the 10th day of August, 2018 at 4:00 pm** to transact the following business.

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Financial Statements (including Audited Consolidated Financial Statements) for the year ended 31st March, 2018, along with the reports of the Board and the Auditors thereon.
2. To declare dividend on Equity Shares for the year ended 31st March, 2018.
3. 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

4. To consider and if thought fit, to pass, the following Resolution as a **Special Resolution**

“RESOLVED THAT in accordance with the provisions of Sections 196, 197, 198 and 203 read with Schedule V and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), approval of the Company be and is hereby accorded to the re-appointment of Shri. Vijay Kumar Jatia (DIN:00096977) as the Chairman and Managing Director of the Company, for a period of 3 (three) years with effect from 1st August, 2018 to 31st July, 2021 on the terms and conditions including remuneration as set out hereinafter with liberty to the Board of Directors (hereinafter referred to as “the Board” which term shall be deemed to include any Committee of the Board) to alter and vary the terms and conditions of the said re-appointment and / or remuneration as it may deem fit and as may be acceptable to Shri. Vijay Kumar Jatia, subject to the same not exceeding the limits specified under Schedule V of the Companies Act, 2013 or any statutory modification(s) or re-enactment thereof from time to time and subject to approval of any authority or Central Government, if so required:

(₹. In Lakhs)

	01.08.2018 to 31.07.2019	01.08.2019 to 31.07.2020	01.08.2020 to 31.07.2021
Salary	84	84	84
Perks and Incentives : Free Furnished residential accommodation or House Rent Allowance together with utilities thereof such as gas, electricity, water, furnishings, repairs, servants' salaries, society charges and property taxes, Reimbursement of Medical Expenses incurred for self and family and medical/accident insurance. Personal Accident Insurance in accordance with the rules specified by the Company. Fees of clubs/annual membership fees and/or admission/entrance fees.	84	84	84
TOTAL	168	168	168

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

- (a) The Managing Director shall also be entitled to the following perquisites which shall not be included in the computation of the ceiling on remuneration specified herein above
- (i) Contribution to Provident Fund,
 - (ii) Superannuation Fund or Annuity Fund to the extent these either singly or put together are not taxable under the Income Tax Act, 1961.
 - (iii) Gratuity payable at the rate not exceeding half a month's salary for each completed year of service.

Commission in addition to the remuneration as per the provisions of the Companies Act, 2013 Earned privilege leave at the rate of one month's leave for every eleven months of service. The Managing Director shall be entitled to encash leave at the end of his tenure as Managing Director. Provision for Car with driver for business of the Company and Telephone at the residence of the Managing Director shall not be treated as perquisites.

- (b) Minimum Remuneration: Notwithstanding anything to the contrary herein contained, where in any financial year during the currency of the tenure of the Managing Director, the Company has made no profits or its profits are inadequate, the Company shall pay to the Managing Director, the above salary and perquisites as Minimum Remuneration.
- (c) Other Benefits: Apart from the aforesaid remuneration, the Managing Director shall be entitled to reimbursement of expenses incurred in connection with the business of the company. The Managing Director shall not be paid any sitting fees for attending the meetings of the Board of Directors or Committees thereof.

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. **VIJAY KUMAR JATIA** (including the minimum remuneration) in accordance with the relevant provisions in the Companies Act, 2013 and/or the rules and regulations made there under and / or relaxation or revision in the Guidelines for managerial Remuneration as may be made and / or announced by the Central Government from time to time.

RESOLVED FURTHER THAT the term of office of Shri. **VIJAY KUMAR JATIA** as Managing Director shall not be subject to retirement by rotation.

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board of Directors of the Company be and is hereby authorized to do all such acts, deeds matters and things as are incidental thereto or as may be deemed necessary or desirable and to settle any question or difficulty that may arise in such manner as it may deem fit."

NOTES:

The Statement pursuant to Section 102(1) of the Companies Act, 2013 ("Act"), in respect of business set out at Item No.4 of the accompanying Notice and the relevant details as required under Regulation 36 (3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") and Secretarial Standard on General Meetings (SS 2) issued by The Institute of Company Secretaries of India, of persons seeking appointment/re-appointment as Directors as set out at Item Nos. 3 and 4 of the Notice, are also annexed.

- 1) **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL 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 certified copy of the Board Resolution authorizing their representative to attend and vote on their behalf at the meeting. A proxy form is sent herewith.

- 2) **The ISIN of the Equity Shares of ₹ 2/- each is INE251D01023.**
- 3) **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 30th September, 2018.**
- 4) Members are requested to bring the Attendance Slip along with their copy of Annual Report to the Meeting.
- 5) The Register of Members and Share Transfer Books of the Company will remain closed from 28.07.2018 to 10.08.2018(both days inclusive), for determining the names of Members eligible for dividend on Equity Shares, if declared at Annual General Meeting (AGM)
- 6) 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. **from 10th August, 2018** to the Company's Equity Shareholders, whose names stand registered on the Company's Register of Members as under:
 - a. As Beneficial Owners as at the end of business hours on **27th July, 2018** 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 upto **Friday, 27th July, 2018**.
- 7) 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.**
- 8) Members are hereby informed that Dividend which remains unclaimed/unpaid for a period of 7 years 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 ₹3,77,029.60 (approx) for the year 2010-2011 is due to be transferred to the IEPF w.e.f **27th August, 2018**. Members wishing to claim dividends, which remain unclaimed for the year 2010-11 onwards, are requested to correspond with the Company's Registrars & Transfer Agents, along with full particulars.
- 9) 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.

- 10) 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.

- 11) **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 3,79,395 shares in 764 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, were 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. The shares on which dividends were due from the Financial year 2009-10 for seven consecutive years were transferred to the demat account of the IEPF Authority on November, 2017.

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>

- 12) 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, Statement of Profit and Loss, and Board's 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
- 13) The Notice of the Annual General Meeting along with the Annual Report 2017-18 is being sent by electronic mode to those Members whose e-mail addresses are registered with the Company/Depositories, unless any Member has requested for a physical copy of the same. For Members who have not registered their e-mail addresses, physical copies are being sent by the permitted mode. Members may note that this Notice and Annual Report 2017-18 will also be available on the Company's website, www.modernindia.co.in
- 14) 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 exercise their right to vote at the 84th Annual General Meeting (AGM) by electronic means and the business may be transacted through Remote e-Voting Services provided by Central Depository Services Limited (CDSL).
- 15) For the convenience of the Members, the route map of the meeting venue from the nearest railway station is annexed to this Notice. Company's website 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.
- 16) 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.

- 17) The business of ratification of Auditors, shall not be placed before the shareholders for their approval subsequent to notification of section 40 of the Companies (Amendment) Act, 2017 which corresponds to section 139 of the principal Companies Act, 2013 on 07th May, 2018 by which the Company shall no longer be required to ratify the appointment of auditors at every Annual General Meeting.

By Order of the Board of Directors
Sd/-

PARIND BADSHAH
FCS 5414

Vice President & Company Secretary

Mumbai

Dated: 24th May, 2018

Registered Office: 1, Mittal Chambers, 228, Nariman Point, Mumbai-400 021.

ANNEXURE TO NOTICE

EXPLANATORY STATEMENT AS REQUIRED PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

Item no 3

Smt.Gauri Jatia (DIN:0096766) director of the Company, would retire by rotation at the ensuing Annual General Meeting in terms of Section 152(3) of the Act and is eligible for re-appointment.

Name	Smt.Gauri Jatia
DIN	0096766
Date of Birth	03.01.1963
Date of Appointment	Reappointment on 22.07.2016
Qualifications	Bachelor of Arts
Expertise in specific functional areas	Business
List of Other Directorship	Shree Rani Sati Investment & Finance Private Limited F Pudumjee Investment Company Private limited Sarat Leasing and Finance Private Limited Modern Derivatives and Commodities Private Limited Alcyone Trading Company Private Limited Vedant Mercantile Private Limited Candescent Traders Private Limited Camellia Mercantile Private Limited Jatia Properties Private Limited Vijay Jatia Foundation Mahabirprasad Jatia Foundation
Chairmanship/Membership of Committees of other Boards	NIL
The Attendance of meeting of Board and Committees	During the year Smt.Gauri Jatia attended all the meeting of Board of Directors of Modern India Limited
Company's Shares held (No of shares)	17850-Equity shares of Modern India Limited
Relationship with other Directors, Manager and other KMP	Promoter and wife of CMD of the Company