



NOTICE

NOTICE is hereby given that the Seventy-Eighth 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 8th day of August, 2012 at 04.00 p.m. to transact the following business.

ORDINARY BUSINESS

1. To receive, consider and adopt the Balance Sheet as at 31st March, 2012 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 31st March, 2012.
3. To appoint a Director in place of Shri. Anand Didwania, who retires from office by rotation and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Shri. Dilip J. Thakkar, 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

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

“**RESOLVED THAT** in accordance with the provisions of Section 31 of The Companies Act, 1956 and all other applicable provisions, if any, of The Companies Act, 1956 the articles of Association of the Company be and are hereby altered as follows.”

96A PERMANENT DIRECTORS

Shri Vijay Kumar Jatia who has been appointed as Director of the Company shall not be liable to retire by rotation or be removed from his office by the Company. The said Shri Vijay Kumar Jatia who has been appointed as Director of the Company may by Deed, Poll or by Will or by Codicil appoint any person to be a Director of the Company in his place and stead and that on his death or resignation, the person nominated by him shall be entitled to be appointed as Director of the Company with the same rights, powers and privileges including the power to nominate a Director in his place as of the Director in whose place he is so appointed.

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

“**RESOLVED THAT** as per the recommendation of the Remuneration Committee and Board of Directors and pursuant to the provisions of Sections 198, 269, 309, 316 and Schedule XIII and all other applicable provisions, if any, of the companies Act, 1956 subject to such other approvals as may be necessary from regulatory authorities Central Government etc. and any statutory modifications or enactment thereof and all guidelines for managerial remuneration issued by the Central Government from time to time and subject to such other approvals as may be necessary, the consent of the Company be and is hereby accorded for the reappointment of Shri **VIJAY KUMAR JATIA** as Managing Director of the Company for a period of three years with effect from 01-08-2012 to 31-07-2015 on remuneration and perquisites and terms and conditions as set out in the Agreement entered into between the Company and Shri **VIJAY KUMAR JATIA** containing powers, functions and duties of the Managing Director on the following remuneration:

PER MONTH

	01.08.2012 to 31.07.2013 ₹	01.08.2013 to 31.07.2014 ₹	01.08.2014 to 31.07.2015 ₹
Salary	5,00,000	5,00,000	5,00,000
Perks and Incentive : Free Furnished residential accommodation or House Rent Allowance together with utilities there for such as gas, electricity, water, furnishings, repairs, servants' salaries, society charges and property taxes, Reimbursement of Medical Expenses incurred for self and family and premium on medical/accident insurance policy. Personal Accident Insurance Policy in accordance with the rules specified by the Company. Leave Travel concession for self and family once in a year in accordance with the rules of the Company. Fees of clubs/annual membership fees and/or admission/entrance fees.	5,00,000	5,00,000	5,00,000
TOTAL	10,00,000	10,00,000	10,00,000

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 costs.

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, Superannuation Fund or Annuity Fund to the extent these either singly or put together are not taxable under the income tax Act, 1961.
- ii. Gratuity payable at the rate not exceeding half a month's salary for each completed year of service.
- iii. 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.
- iv. 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.

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.

However, if the total remuneration to be paid by way of basic salary, perquisites or any other allowance exceeds the ceiling specified in Clause 1(C), Section II of Part II of Schedule XIII of the Companies Act (excluding the perquisites provided in Clause 2, Section II of Part II of Schedule XIII of the said Act or such other amount and perquisites as may be provided in the said Schedule XIII), it shall be payable subject to the approval of Central Government.

The Company will apply to Government of India, Ministry of Corporate Affairs after receipt of shareholders consent.

The Managing Director shall not be paid any sitting fees for attending the meetings of the Board of Directors or Committees thereof.

OTHER TERMS

Subject to the control, supervision and directions of the Board of directors and subject to the provisions of the Act, the Managing Director shall have the general conduct and management of the business and affairs of the Company as illustrated but not limited to what is stated in the Agreement between the Managing Director and the Company.

RESOLVED FURTHER THAT 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 and in the year in which the Company has sufficient profit, the appointee shall be paid commission on the annual net profits of the Company, as may be decided by the Board of Directors, at the end of each financial year, computed in the manner laid down under Section 349 of the Act and subject to the ceiling laid down under Sections 198 and 309 of the Act on the total remuneration.

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, 1956 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 terms 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:

- 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. Anand Didwania and Dilip J. Thakkar, 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.

The details of Shri Vijay Kumar Jatia who is being appointed as permanent director and being re-appointed as Managing Director of the Company is given in the Explanatory Statement and in the Information Statement attached to this Notice.

The Board of Directors of the Company recommend their 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 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 Wednesday 01-08-2012 to Wednesday 08-08-2012 (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 sanctioned at the Annual General Meeting of the Company, will be made payable within 30 days of the date of declaration i.e. Wednesday the 08-08-2012 to the Company's Equity Shareholders, who are entitled for the Dividend as on Wednesday the 08-08-2012 whose names stand registered on the Company's Register of Members:
 - a. as Beneficial Owners as at the end of business on 31-07-2012 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 **31st July, 2012.**
- 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 2004-2005 is due to be transferred to the IEPF on August 30, 2012. Members wishing to claim dividends, which remain unclaimed for the year 2004-2005 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 ₹ 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, 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 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 12,46,725 unclaimed shares as per the details furnished by Registrar & Share Transfer Agent Satellite Corporate Services Pvt. Ltd.

There are 2076 Folios covering 12,46,725 equity shares of the Company of face value of ₹ 2/- each received back as undelivered.

Three reminders are 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

Mumbai
Dated: 23rd May, 2012

VIJAYKUMAR MODI
G.M. (Legal) & Company Secretary

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

Promoters viz Shri Vijay Kumar Jatia, Chairman & Managing Director and persons acting in concert holds equity capital of 86.15% of the Company.

Taking into consideration stake of the Promoters and with a view to continue to avail services of Shri Vijay Kumar Jatia, Chairman & Managing Director, it is felt by the Board to make Directorship as his permanent out of the 1/3 Directors which are not subject to retire by rotation as contemplated in section 255 of the Companies Act, 1956.

Your Directors recommend the resolution for approval.

Except Shri Vijay Kumar Jatia and Smt. Gauri V. Jatia, no other Director is concerned or interested in this Resolution.

The Directors recommend your acceptance thereof in the interest of the Company.

The memorandum and articles of association is 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 78th AGM.

Item No.7

Shri Vijay Kumar Jatia (55) is the Managing Director of the Company. He is also Main Promoter of the Company. He is sought to be appointed as Permanent Director of the Company out of the quota of 1/3rd of the directors who are not subject to retirement by rotation within the meaning of S.255 of the Companies Act, 1956.

Shri V.K. Jatia is a Director of the Company since 1994 and the Managing Director of the Company since 2001. He has extensive experience of over 37 years in industry and business. His tenure as the Managing Director of the company ends on 31st July, 2012. Considering his rich and vast experience and exceptional managerial skills, the Board of Directors felt that it would be in the best interest of the Company to re-appoint him as Managing director of the Company. Accordingly, the Board of Directors, in its meeting held on 23rd May, 2012, re-appointed him as Managing Director w.e.f. 1st August, 2012 and, on the recommendation of the Remuneration Committee, fixed terms and conditions as to the Remuneration payable to him as mentioned in the Item No. 7 Resolution. An Agreement has been executed between the Managing Director and the Company containing all the terms and conditions of his re-appointment.

In terms of Schedule XIII to the Companies Act, 1956, Shri Vijay Kumar Jatia is eligible for re-appointment as Managing Director. The total remuneration payable to Shri V.K. Jatia shall not exceed 5% of the net profits, calculated in terms of Ss.349 and 350 of the Companies Act, 1956, during any of the financial year. It is expected that considering the progress and profitability of the Company which is likely to continue in future years also, occasion is likely to arise for payment of remuneration to him as minimum remuneration (supra) during any of the years comprised in the period of his office. However, the provisions of Schedule XIII to the Companies Act, 1956 are being complied/adhered to.

The Company will apply to Government of India Ministry of Corporate Affairs after the receipt of the shareholders' consent.

In terms of Para (C) of Section II of Part II of Schedule XIII to the Companies Act, 1956, Shri. V.K. Jatia can draw salary and perquisites at ₹ 10,00,000/- per month subject to fulfillment of certain conditions, inter alia, such as approval by Remuneration Committee, by the members of the Company by Special Resolution and prior approval of the Central Government.

Commission : In addition to the salary, allowances and perquisites, in the years in which the company has sufficient profit, the appointee shall be paid commission on the annual net profits of the Company, as may be decided by the Board of Directors, at the end of each financial year, computed in the manner laid down under Section 349 of the Act and subject to the ceiling laid down under Sections 198 and 309 of the Act on the total remuneration.

Your Directors recommend the resolution for your approval.

Except Shri Vijay Kumar Jatia and Smt. Gauri V. Jatia, no other Director is concerned or interested in this Resolution.

The Directors recommend your acceptance thereof in the interest of the Company.

This may also be treated as an Abstract of terms and conditions and Memorandum of Interest under Section 302 of the Companies Act, 1956.

The Agreement between the Company and the Managing Director is 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 upto the date of the previous day of the 78th AGM.

The information required to be given along with the Notice of Annual General Meeting as per proviso (iv) of Para (C) of Section II of Part II of the Schedule XIII to the Companies Act, 1956 is given as attachment to the Notice and this Explanatory Statement.

By Order of the Board of Directors

Mumbai
Dated: 23rd May, 2012

VIJAYKUMAR MODI
G.M. (Legal) & Company Secretary

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

THE INFORMATION AS PER PROVISIO (iv) OF PARA (C) OF SECTION II OF PART II OF SCHEDULE XIII TO THE COMPANIES ACT, 1956.

I. GENERAL INFORMATION

1. Nature of the Industry – The Company is in the Real Estate business.
2. Date of expected date of commencement of commercial production: N. A.
3. In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus - N. A.
4. Financial Performance - (Based on the audited Accounts for the year ended 31.03.2012)

		(₹ in Crores)
Turnover		296.87
Other Income		<u>6.77</u>
Total		303.64
Total Expenditure	294.63	
Exceptional Items	5.86	
Finance Cost	<u>3.55</u>	<u>304.04</u>
Profit before Tax		(0.40)

5. Export performance and net foreign exchange collections :

Exports - Nil
 Net Exchange earnings - Nil.
 There is no foreign collaboration.

6. Foreign Investments or Collaborators, if any: NIL

II. INFORMATION ABOUT THE APPOINTEE:

1. Background details:

Shri Vijay Kumar Jatia is a Director of the company since 1994 and has been the Managing Director of the Company since 2001. He has extensive experience of over 37 years in industry and business. He is skillfully steering the Company in excelling in Real Estate Business. Considering his expertise in overall management functions, he is competent to carry on the responsibilities presently entrusted to him by the Board of Directors.

2. Past Remuneration:

The total remuneration paid to Shri . Vijay Kumar Jatia during the period 1st April, 2011 to 31st March, 2012 is ₹ 42,67,232/-.

3. Recognition or awards:

Shri Vijay Kumar Jatia was Committee Member of Mill Owners' Association and various Committees, was Chairman of Indian Paints Association (IPA), Western Region, President of All India Cotton Seed Crushers Association, Indian Merchant Chambers and FICCI-Western Regional Council.

Shri Vijay Kumar Jatia is also instrumental in bringing the following laurels to Modern India Limited:

Adjudged Most Valuable Company and awarded 990th Rank out of 1000 companies as published in "Business Today" dated 16th December, 2007;

Adjudged Most Valuable Company and awarded 382nd Rank out of 1000 companies as published in "Business Today" dated 30th November, 2008;

Adjudged and included in Top 10 Investor Friendly Companies as per the research conducted by and published in "Business Today" dated 5th August, 2008.

The Company was Ranked 439th in market capitalization and liquidity among the Top 500 Companies as per the 2008 Compendium published by Capital Market.

Adjudged and awarded 349th Super Rank, on Net Sales basis, among the first 1000 companies by and published in "Business Standard" of March, 2009 issue.

Adjudged and awarded 113th Rank on India's fastest growing mid-sized Company among the 500 Companies by Inc. India dated 29th February 2012.

4. Job profile and his suitability:

Overall supervision and control of the Company's activities and in particular to attend to all matters concerning real estate development activities including finance, marketing, planning, administration and such other duties including its wholly owned and other subsidiaries. Shri Vijay Kumar Jatia has been performing the same since 1st August, 2001.

5. Remuneration proposed:

The Abstract containing details of remuneration proposed to be paid to the Managing Director are contained in the Resolution No. 7 of the Notice of the 78th Annual General Meeting.

6. Comparative remuneration profile with respect to industry, size of the Company, profile of the position and the person.

Taking into consideration the size of the Company, the profile of the appointee, the responsibility shouldered by him and the industry benchmarks, the proposed remuneration is reasonable and fairly competitive with the remuneration packages paid by other Companies to similar senior level appointees.

The remuneration proposed as above has been approved by the Remuneration Committee and Board of Directors in their meeting held on 23.05.2012.

7. Pecuniary relationship directly or indirectly with the Company or relationship with the managerial personnel if any:-

Shri Vijay Kumar Jatia is holding 1.66% shares of the Company. Apart from this, he does not have any other pecuniary transactions with the Company except by way of his contract of employment with the Company.

He is relative of Smt. Gauri V. Jatia, Directress of the Company. He is also relative of Shri Vedant V. Jatia and Shri. Mudit V. Jatia, Executives of the Company.

III. OTHER INFORMATION :

1. Reasons of loss or inadequate profit:

For the past several years and for the time being, the Company is earning profits in its operations. However, looking to the global meltdown and lull in the real estate business, there is likely to be impact on the operations of the Company bringing down margins to some extent in future till the economy recovers.

2. Steps taken for improvement:

The question here is not improvement in the working of the Company but to keep the recession at bay and save the Company from coming into its clutches. The Company is taking positive view of this recession as an opportunity to reinforce its fundamentals such as training of its human resources, renegotiations of old and new land deals, etc. The Company is focusing on its core competencies and using outsourced service providers to reduce business risks and manage the operations more effectively and efficiently.

3. Expected increase in productivity and profits in measurable terms:

In the backdrop of the global recession, in general, and recession in the Indian economy in Real Estate market, in particular, the cost of project is likely to come down of committed projects since it was only a start. This may add to the margins when the economy shines.

In the competitive environment, it is difficult to estimate revenues / profits in measurable terms. However, the management has framed strategies and developed execution plans to improve the overall bottom-line and profitability. Curtailing costs and other operational expenses, maximizing use of existing facilities, expansion of client base, etc. will continue to receive aggressive attention and the management is confident of increase in revenues and profits during the coming years.

IV. DISCLOSURES:

1. The 'Abstract' containing details of remuneration proposed to be paid to the Managing Director are being circulated among the Shareholders of the Company and is contained in the Notice convening the 78th Annual General Meeting.

2. All the relevant information pertaining to the Managing Director and other Directors required to be disclosed in the Directors' Report under the heading "Corporate Governance", are attached to the Annual Report.

By Order of the Board of Directors

Vijaykumar Modi
GM (L) & Company Secretary

Mumbai, dated 23rd May, 2012