



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 (IJ), 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. IJ 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 31st 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 31st 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 16th July 2013 to Tuesday the 23rd 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 23rd July 2013 to the Company's Equity Shareholders, who are entitled for the Dividend as on Tuesday the 23rd July 2013 whose names stand registered on the Company's Register of Members:
- As Beneficial Owners as at the end of business on **15th 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
 - 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 **15th 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 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: 4th 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 79th 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 26th 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: 4th 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 31st March, 2013.

FINANCIAL RESULTS

(₹ in lacs)

	Financial Years	
	2012-13	2011-12
Gross profit before Depreciation	948.74	712.41
Less Depreciation / Amortization	156.21	166.23
Profit before tax	792.53	546.18
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)
Profit after Tax	493.59	30.72
Add: Balance brought forward	3350.92	3497.14
Balance available for appropriation	3844.51	3527.86
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	3576.99	3350.92

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 (IJ) – DIVISION OF THE COMPANY FOR VOCATIONAL TRAINING

The Indian Institute of Jewelry (IJ) 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.

DIRECTORS' RESPONSIBILITY STATEMENT

As required under Section 217 (2AA) of the Companies Act, 1956, your Directors confirm that:

- i) in the preparation of the annual accounts, the applicable accounting standards have been followed;
- ii) appropriate accounting policies have been selected and applied them consistently and the judgments and estimates made are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31st March, 2013 and of its profit for the year ended as on that date;
- iii) proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- iv) the annual accounts have been prepared on a going concern basis.

CONSERVATION OF ENERGY, RESEARCH AND DEVELOPMENT, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGOINGS.

In compliance with the provisions of Section 217(1)(e) read with Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988, a statement giving requisite information is given in Annexure 'A' forming part of this Report.

PARTICULARS OF EMPLOYEES

There were no employees receiving remuneration as prescribed under Section 217(2A) of the Companies Act, 1956, during the period under review. Hence, the Companies (Particulars of Employees) Rule, 1975 do not apply to the Company.

MANAGEMENT DISCUSSION AND ANALYSES

As per the requirement of Clause 49 of the Listing Agreement with the Bombay Stock Exchange Limited, the Management Discussion and Analyses of the events, which have taken place and the conditions prevailed, during the period under review, are elucidated in ANNEXURE - 1 to this Report.

CORPORATE GOVERNANCE

In compliance of Clause 49 of the Listing Agreement with the Bombay Stock Exchange Limited, a Report on Corporate Governance, along with a Certificate of the Auditors on Corporate Governance is annexed to this Report marked ANNEXURE - 2.

ACKNOWLEDGMENT

Your Directors wish to place on record their sincere thanks to the Valued Customers, Suppliers, Banks, Central Government, State Governments and various Consultants and Business Associates for their continued support, co-operation and guidance, during the year under review. Your Directors also wish to thank the employees and executives at all levels for their valuable contributions.

**For and on behalf of the
Board of Directors**

Mumbai,
dated 04th May, 2013

Vijay Kumar Jatia
Chairman & Managing Director

Registered Office:
Modern Centre, Sane Guruji Marg,
Mahalaxmi, Mumbai-400011.

ANNEXURE 'A' TO THE DIRECTORS' REPORT

INFORMATION AS PER SECTION 217(1)(e) READ WITH COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF BOARD OF DIRECTORS) RULES, 1988 AND FORMING PART OF THE DIRECTORS' REPORT FOR THE YEAR ENDED 31ST MARCH, 2013

1. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND RESEARCH & DEVELOPMENT:

As the Company has no manufacturing activities, the provisions of Companies (Disclosure of Particulars in the Report of Board of Directors) Rule, 1988 relating to Conservation of Energy, Technology Absorption and R & D do not apply to your company.

2. FOREIGN EXCHANGE EARNINGS AND OUTGO:

- | | | | |
|-------|---|---|---|
| (a) - | Activities relating to exports | : | The Company did not undertake export activities during the period under review.. |
| - | Initiatives taken to increase exports | : | Continuous efforts to identify new markets for existing and new products are being made by the Company. |
| - | Development of new markets for products & services & Export plans | : | However, efforts are being made to develop market for various products in the USA, South East Asia & Middle East. The Company does not have any definite export plan. |
| (b) | Total Foreign Exchange: | | |
| (i) | Earnings | : | ₹ 35,762/- |
| (ii) | Outgoing | : | ₹ 27,63,258/- |

MANAGEMENT DISCUSSION AND ANALYSES

Industry Structure, Developments and Outlook

For the economy to grow without inflation rearing its ugly head, we need to bring in reforms so that the investment in the country gets a boost and we have enough production capacity to meet growing consumption. Unfortunately, what has been happening so far is quite the contrary. The Government has been focusing more on welfare programmes, even at the cost of investment leading to an economic imbalance. Now that the first few steps on the reform front have been taken, we believe the Government should focus on effective implementation of the same. Otherwise, the country has very little hope.

The Real Estate Business: PROSPECTS

Demand-supply gap for residential housing, favourable demographics, rising affordability levels, availability of financing options as well as fiscal benefits available on availing of home loan are the key driver supporting the demand for residential construction. The commercial segment however is going through a tough phase and is likely to do so in the short to medium term on account of overcapacity.

While long-term factors are likely to work in favour of the real estate developer, the outlook for the short term remains uncertain. High interest rates and negative consumer sentiments continue to impact business for the real estate player. Also, the fact that banks have been turning cautious towards rescheduling debt or issuing fresh loans to real estate companies is a dampener for the sector. The overall long term risks also include increased prices of the essential raw materials like cement, bricks and steel coupled with the increasing in labour costs, which together make for almost 75% of overall construction cost. Liquidity is also another factor that will determine overall project execution. While entry into affordable housing by many players would curb the declining trend of the topline as witnessed during the downturn, it is likely to put pressure on margins.

Trading

During the year, international trading was brisk and expected to remain same in FY 2012-13. Fabrics, Yarn, Luggage **furniture & building material such as vitrified tiles & sanitary ware** are the driver for improved operations. We achieved target of US \$ 128.07 lacs during FY 2012-13 and hope to improve it further in the coming year.

Vocational Training

Indian Institute of Jewelry was once again invited to write, recommend and introduce new programs for the Jewelry industry by the RDAT – Regional Directorate of Apprentice Training Ministry of labour and employment. This review and discussion was conducted at the IJ campus over two days along with sixteen panelists consisting of educationists, industry patrons and government officials along with IJ senior faculty; This has resulted in most of the programs delivered at IJ being recognized and certified by the Ministry of Labour and employment. It has been informed that 105 countries currently recognize this certification awarded by the government.

This fact is now being publicized in all external communications and it is hoped that this year academic session will see the impact of all this on enrollment.

IJ has also extended its synergistic association with over 100 Preferred Recruitment Partner (PRP) wherein these companies are given first right to interview graduating students. Reliance Jewels has signed an MOU wherein they will be part of the selection process and offer letter of conditional acceptance to students enrolling for our Retail program called JOR;

We at IJ are of the view that imparting vocational training to the aspirants which cover every aspects of Jewelry designing, manufacturing and marketing & after successful completion of the course, candidates get placed with reputed entities engaged in Jewelry business is the object of running of the Institute. Modern India Enterprises being conscious of its corporate social responsibility offering courses at affordable fees and opening strata of job opportunities in this field to the candidates completing courses successfully.

Segmentwise Performance

- Revenue and expenses have been identified to segments on the basis of their relationship to the operating activities of the segment.

- Revenue and expenses which relate to the enterprise as a whole and are not allocable to segments on a reasonable basis, have been included under "Un-allocable/Corporate".
- There are no inter-segment revenues and, therefore, the basis of their measurement does not arise.

(₹ In lacs)

	Business Centre	Real Estate	Trading	Unallocated/ Corporate	Total
i Segment Revenue	48.14	1.51	43978.30	1506.21	45534.16
ii Segment Result	36.85	1.07	455.19	299.43	792.53
iii Segment Capital Employed	92.39	-3749.99	2452.41	6050.33	4845.14

INTERNAL CONTROL SYSTEM AND THEIR ADEQUACY

MIL's well defined organization structure, documented policy guidelines, predefined authority levels, and an extensive system of internal controls ensure optimal utilization and protection of resources, IT security, accurate reporting of financial transactions and compliance with applicable laws and regulations.

- MIL has adequate systems of internal control in place. This is to ensure that assets are safeguarded against loss from unauthorized use or disposition, and that transactions are authorized, recorded, and reported correctly
- MIL has an exhaustive budgetary control system. Actual performance is reviewed with reference to the budget by the management on an on-going process basis.
- The internal audit function is empowered to examine the adequacy, relevance and effectiveness of control systems, compliance with policies, plans and statutory requirements
- The top management and the Audit Committee of the Board review the findings and recommendations of the internal audit panel.

FINANCIAL PERFORMANCE

The Company, in its stand alone position, has made post-tax profits of ₹ **493.59 lacs**. However, the Company has its other endeavour through its Subsidiaries. The financial performances of these subsidiaries are to be consolidated with its holding company. When clubbed with the financial indicator of the Company, as per requirement of the Accounting Standard, the Company shows a net profit of ₹534.29 lacs in the current year [previous year's net profit ₹ 69.99 lacs]. The income from operations is ₹ 51811.93 lacs which is higher by 47.19 % (previous year ₹ 35563.89 lacs). Other Income is ₹ 791.75 (previous year ₹ 726.58 lacs).

HUMAN RESOURCE /INDUSTRIAL RELATIONS

Your Company firmly believes that success of a company comes from good Human Resources. Employees are considered as important assets and key to its success. HRD has been strengthened for sourcing and developing high caliber employees providing them relevant training for encashment of their competence and facilitating their assessment process through an effective Performance Management System (PMS). Company aims to remain lean and dynamic in a continuing de-layered structure. The Employee relations continued to be satisfactory.

CAUTIONARY STATEMENT

Statement in the Management Discussion and Analysis describing the Company's objectives, projections, estimates, expectation may be "forward looking statements" within the meaning of applicable statutory laws and regulations. Actual results could differ materially from those expressed or implied. Important factors that could make a difference to the Company's operations include economic conditions and price conditions in the domestic and overseas markets in which company operates, changes in the Government regulations, tax laws and other statutes and other incidental factors.

REPORT ON CORPORATE GOVERNANCE

In compliance with the Corporate Governance requirements as stipulated in Clause 49 of the Listing Agreement with the Bombay Stock Exchange Limited, the Company has been incorporating, a separate section on Corporate Governance in its Annual Report. Over the period, and as a matter of practice, the Company inculcated strong corporate governance philosophy culminating in policies.

Company's policies on the Corporate Governance and due compliance report for the year ended 31st March, 2013 are as under:

I COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

The Company's philosophy on Corporate Governance is aimed at attainment of the highest level of transparency, accountability and equity in all facets of its operations and in all interaction with its shareholders, employees, customers and the Government. It includes not only application and adaptation of statutory rules/procedures and guidelines, but also includes application and adoption of good corporate practices followed voluntarily, by the Company so as to keep the Shareholders, Management, Investors and Authorities well informed about the Company. The Company believes that all its operations and actions must serve the underlined goal of enhancing overall shareholder value over a sustained period of time and at the same time protecting the interest of the stakeholders.

II. BOARD OF DIRECTORS

Composition of Board

The current strength of the Board of Directors of the Company is Eight. The Board has an optimum mix of executive and non-executive directors. The Chairman and Managing Director is executive director while other directors are non-executive directors. Except two non-executive directors rest are independent. This combination helps the Company take benefit of the experience and expertise of the directors, in their core area of competence. The Managing Director is receiving remuneration as per sanction accorded by the members of the Company. The other directors get sitting fees. There are no nominee directors on the Board of the Company. The Board has an Executive Chairman and the number of independent Directors is more than half of the total strength of the Board.

The Company has complied with the requirements of Clause 49 of the Listing Agreement with regards to the composition of the Board.

Board Meetings and attendance

Four Board Meetings on 23rd May, 2012, 08th August 2012, 26th October, 2012, and 24th January, 2013 were held during the financial year 2012-2013 and the gap between two Board meetings did not exceed 4 months.

The information pertaining to attendance of each director at the Board Meetings and at the last Annual General Meeting (AGM) and the number of companies and committees where he/she is a director/committee member are as under:

Name of the Directors	Category	Number of Co. Board of which Member other than MIL #	Number of Committees of which Chairman other than MIL	Number of Committees of which Member other than MIL	No. of Board Meetings Attended	Last AGM Attendance (Yes/No)
Shri V.K. Jatia	Promoter Executive	7	-	2	4	Yes
Shri R.N. Sethna	Independent Non Executive	2	-	1	2	Yes

Shri Anand Didwania	Independent Non Executive	2	-	1	4	Yes
Shri R.R. Doshi	Independent Non Executive	3	-	3	4	Yes
Shri P. K. Bubna	Non-Independent Non Executive	1	-	1	4	Yes
Smt. Gauri Jatia	Promoter Non Executive	3	-	-	3	Yes
Shri Dilip J Thakkar	Independent Non Executive	13	5	5	2	No
Dr. Shivkumar Israni	Independent Non Executive	3	-	1	4	Yes

Excluding private companies, foreign companies and companies registered under Section 25 of the Companies Act, 1956.

Committee includes Audit Committee and Shareholders/Investors Grievance Committee.

Directors who could not attend the meeting obtained leave of absence from the Board/Committee.

Directors with materially significant related party transaction, pecuniary or business relationship with the company

There have been no materially significant transactions, pecuniary transactions or relationship between the Company and its directors that may have a potential conflict with the interest of the Company at large. However related party transactions are disclosed in Note No.42 attached to the Accounts and form part of this Annual Report.

Board Procedure

The Board meets at least once a quarter to review the quarterly performance and the financial results. The Board Meetings are generally scheduled well in advance and the notice of each Board Meeting is given in writing to each Director. All the items in the agenda are accompanied by notes giving comprehensive information on the related subject and in certain matters such as financial/business plans, financial results, detailed presentations are made. The agenda and the relevant notes are sent in advance separately to each Director and only in exceptional cases; the same is tabled at the meeting. The Board is also free to recommend the inclusion of any matter for discussion in consultation with the Chairman.

The information as specified in Annexure I to Clause 49 of the Listing Agreement is regularly made available to the Board.

To enable the Board to discharge its responsibilities effectively, the members of the Board are briefed at every Board Meeting, on the overall performance of the Company, with presentations by functional heads. Senior management is invited to attend the Board Meetings so as to provide additional inputs to the items being discussed by the Board.

The Board's role, functions, responsibility and accountability are clearly defined. In addition to matters statutorily requiring Board's approval, all major decisions involving policy formulation, strategy and business plans, annual operating and capital expenditure budgets, new investments, compliance with statutory/ regulatory requirements, major accounting provisions and write-offs are considered by the Board.

The minutes of the Board Meetings are circulated in advance to all Directors and confirmed at subsequent Meeting.

III. AUDIT COMMITTEE

Terms of reference

The terms of reference of the Audit Committee are wide enough to cover the matters specified for it in Clause 49 of the Listing Agreement as well as in Section 292A of the Companies Act, 1956. In brief, the Audit Committee of the Company, inter-alia, provides assurance to the Board on the adequacy of the internal control systems, financial disclosures and ensures that generally accepted accounting principles are observed by the Company. The Committee also provides guidance and liaises with the Internal Auditors as well as the Statutory Auditors of the Company.

Composition, Meeting and Attendance

The First Audit Committee was constituted by the Board at its meeting held on 31st January, 2001. The same has been reconstituted from time to time. The current strength of the Audit Committee is four members. All the members of the Audit Committee are Non-executive directors. Two-thirds of the members of the Committee are independent directors. All the members of Audit Committee are financially literate and possess accounting and related financial management expertise. The Managing Director of the Company is a permanent Invitee of the Audit Committee. At the invitation of the Company, representatives from various divisions of the Company, internal auditors, statutory auditors and Financial Controller also attend the Audit Committee meetings to respond to queries raised at the Committee meetings. The Company Secretary acts as the Secretary of the Audit Committee.

Four meetings on 23rd May, 2012, 08th August 2012, 26th October, 2012, and 24th January, 2013 were held during the financial year 2012-2013 and the gap between two meetings did not exceed 4 months.

The information pertaining to attendance of each member at the meetings of the Audit Committee is as under:

Composition	Designation	Category of Directorship	Attendance out of 4 Meetings
Shri Anand Didwania	Chairman	Non-executive Independent Director	4
Shri R.R. Doshi	Member	Non-executive Independent Director	4
Shri P. K. Bubna	Member	Non-executive Non-Independent Director	4
Dr. Shivkumar Israni	Member	Non-Executive Independent Director	4

Internal Auditors :

The Company has appointed M/s. M. L. Sharma & Co., a firm of Chartered Accountants as Internal Auditors to review the internal control systems of the Company and to report thereon. The report of the Internal Auditors is reviewed by the Audit Committee.

IV. REMUNERATION COMMITTEE:

Composition, Meeting and Attendance

The Remuneration Committee was constituted by the Board at its meeting held on 29th April, 2002. The same has been reconstituted from time to time. At the end of the year, it comprised of three member directors all of whom were independent and Non-executive directors. The Remuneration Committee is consisting of Shri Rajas R Doshi (Chairman), Shri Anand Didwania and Dr. Shivkumar Israni. The terms of reference of the Remuneration Committee include reviewing and recommending the terms of remuneration payable to Executive Director. The Company Secretary acts as the Secretary of the Remuneration Committee.

Two meetings on 23rd May, 2012 and 24th January, 2013 were held during the financial year 2012-2013

The Managing Director has been receiving the remuneration as per the recommendation of the Remuneration Committee, the details of which are given in Note No.32 to the Accounts. The non-executive directors get sitting fees ₹10,000/- .

The details of payment of sitting fees and their Shareholding are as under:

Sr. No.	Name of the Director	Sitting Fees ₹	No of Shares	Commission ₹
1	Shri Rusi N. Sethna	20,000	-	88000
2	Shri Anand Didwania	1,00,000	-	96500
3	Shri Rajas R. Doshi	1,10,000	-	96500
4	Shri Pradip Kumar Bubna	80,000	1230	96500
5	Smt. Gauri Jatia	30,000	5,67,850	88000
6	Shri Dilip J Thakkar	20,000	175	88000
7	Dr. Shivkumar Israni	1,00,000	-	96500

V. SHAREHOLDERS/INVESTORS' GRIEVANCE COMMITTEE

Composition, Meeting and Attendance

The Shareholders/Investors' Grievance Committee was constituted by the Board at its meeting held on 31st January, 2002. The Committee comprises of three directors; majority of them being independent and Non-executive. Shri Rajas R. Doshi has been elected as the Chairman of the Shareholders/Investors' Grievances Committee. The Company Secretary acts as Secretary of the Committee.

During the year, the Committee met once, on 26th October, 2012. The information pertaining to attendance of each member at the meeting of the Committee is as under:

Composition	Designation	Category of Directorship	Attendance in Meetings
Shri Rajas R. Doshi	Chairman	Non-executive Independent Director	1
Shri Rusi N. Sethna	Member	Non-executive Independent Director	0
Shri V. K. Jatia	Member	Executive Director	1

During the year, the Company had received no complaints.

Shri Vijay Kumar Modi, G.M. (Legal) & Company Secretary is the Compliance Officer of the Company from 3rd April, 2012.

VI ANNUAL GENERAL MEETINGS:

Details of Last Three Annual General Meetings are given hereunder:

Financial Year	Date of Meeting	Time	Location
2011-2012	08.08.2012	4.00 p.m.	Modern Centre, Sane Guruji Marg, Mahalaxmi, Mumbai – 400011
2010-2011	28.07.2011	4.00 p.m.	Modern Centre, Sane Guruji Marg, Mahalaxmi, Mumbai – 400011
2009-2010	30.07.2010	3.00 p.m.	Modern Centre, Sane Guruji Marg, Mahalaxmi, Mumbai – 400011

Details of Special Resolutions passed in the last three Annual General Meetings and Extra Ordinary General Meetings:

No.	AGM & FY	U/S.	Particulars
1	Court Convened Meeting 2009-10	391 to 394 of the Companies Act, 1956	Approval to the Scheme of Amalgamation of Indian Institute of Jewellery Limited with Modern India Limited
2	76 th AGM 2009-10	-	None
3	77 th AGM 2010-11	309(4) of the Companies Act, 1956	Consent to payment of commission not exceeding 1% of the net profits of the Company starting from the net profit derived for the financial year 2010-11 and payable upto 2014-15 out of the net profits of the respective year.
		314	Consent to the increase in the remuneration of the Executive, a relative of the Directors.
		314	Consent to the increase in the remuneration of the Executive, a relative of the Directors.
4	78 th AGM 2011-12	31	Insertion of new Article 96A Permanent Director
		198,269,309, 316 read with schedule XIII	Re-appointment of Shri Vijaykumar Jatia as Managing Director for a period of 3 years from 01.08.2012 to 31.07.2015

During the year no Resolution was passed through Postal Ballot.

VII SUBSIDIARY COMPANIES

The Company has two Indian Subsidiary Companies. The Company has a material non-listed Indian subsidiary whose net worth (i.e. paid-up capital and free reserves) exceed 20% of the consolidated net worth of the listed holding Company and its subsidiaries in the immediately preceding accounting year. As such, an independent director of the Company Shri Anand Didwania was appointed on the Board of Directors of its wholly owned subsidiary – Modern India Property Developers Limited since 16th July, 2010.

Brief of the Company's Wholly Owned Subsidiary Companies (WOS)/ Subsidiary as on March 31, 2013 are as under:

Name of the WOS/ Subsidiary	Date of becoming WOS/Subsidiary	Country in which Incorporated
Foreign Subsidiary: Modern International (Asia) Limited - Hongkong (WOS)	August 2, 2004	Hong Kong
Indian Subsidiary: 1. Modern India Property Developers Ltd. – (WOS) 2. Modern India Free Trade Warehousing Pvt. Ltd.	September 7, 2000 July 4, 2008	India India

Subsidiary Monitoring Framework

All the Subsidiary Companies are Board managed with their Boards having the rights and obligations to manage such companies in the best interest of their stakeholders. As a majority Shareholder, the Company monitors the performance of such Companies, inter alia, by the following means:

- a) All minutes of the meetings of subsidiary companies are placed before the Company's Board regularly;
- b) A statement containing all significant transactions and arrangements entered into by the unlisted subsidiary companies have been placed before the Company's Board.
- c) An independent director of the Company has been appointed as director on the Board of Indian wholly owned subsidiary.

VIII DISCLOSURES

- a) All the related party transactions arising in the ordinary course of business were placed periodically before the audit committee in summary form. There were two materials individual transactions with related parties which were not in the ordinary course of business were placed before the audit committee as required. All the related party transactions were on an arm's length basis.
- b) All Accounting Standards mandatorily required have been followed in preparation of financial statements and no deviation has been made in following the same.
- c) Risk assessment and its minimization procedures have been laid down by the Company and the same have been informed to the Directors on the Board. These procedures are periodically reviewed to ensure that executive management controls risks through means of a properly defined framework.
- d) No money was raised by the Company through public issue, rights issue, preferential issues, etc. in the previous financial year and hence provisions contained in this behalf in Clause 49 of the Listing Agreement are not applicable for Compliance by the Company.

- e) i) All pecuniary relationship or transactions of the non-executive Directors vis-à-vis the Company have been disclosed in item IV of this report;
- ii) The Company has only one Managing Director on the Board whose appointment and remuneration has been fixed by the Board on the recommendation of the Remuneration Committee duly approved by the members. The remuneration paid was as follows:

Managing Director's Remuneration (in ₹)

i) Salary	47,00,000
ii) Contribution to Provident Fund	5,64,000
iii) Perquisites	17,59,405
iv) Commission	—
TOTAL	70,23,405

- (iii) The service of the Managing Director is on contractual basis for a period of three (3) years upto 31.07.2015. The service contract provides for notice period for six months from either side. He is relative of Smt. Gauri Jatia, Director of the Company.
- f) Management Discussion and Analysis forms part of the Annual Report to the shareholders and it includes discussion on matters as required under the provisions of clause 49 of the Listing Agreement with the Stock Exchange.
- g) There is no material financial and commercial transactions by Senior Management as defined in Clause 49 of the Listing Agreement where they have personal interest that may have a potential conflict with the interests of the Company at large requiring disclosure by them to the Board of Directors of the Company.
- h) No penalties or strictures have been imposed on the Company by Stock Exchanges or SEBI or any Statutory Authority on any matter related to Capital Markets during the last three years.

IX DISCLOSURE TO SHAREHOLDERS REGARDING APPOINTMENT OR RE-APPOINTMENT OF THE DIRECTORS

Shri Rajas R Doshi and Shri Pradip K Bubna retire by rotation and have offered themselves for re-appointment.

Details of directors seeking appointment/re-appointment as Rotational Director at the ensuing Annual General Meeting fixed on Tuesday, the 23rd July, 2013

Name of Director	Shri Pradip Kumar Bubna	Shri Rajas Doshi
<i>Date of Birth</i>	13.05.1958	01.09.1951
<i>Date of Appointment</i>	29.04. 2002	25.01.2002
<i>Qualifications</i>	B.Com	B.E (Civil)
<i>Expertise in specific functional area</i>	Businessman	Industrialist
<i>List of Other Directorships held excluding foreign companies, Companies under sec 25 of the Companies Act, 1956 & Private Companies</i>	Shree Rani Sati Investment & Finance Limited	The Indian Hume Pipe Co Ltd. IHP Finvest Ltd Hindustan Construction Co Ltd.
<i>Chairman/Member of the committees of the Board of other Companies in which he/she is a Director</i>	Chairman: Remuneration Committee Meeting. Shree Rani Sati Investment & Finance Limited	Member : Shareholders/Investors' Grievances Committee – Indian Hume Pipe Co. Ltd. Member: Shareholders/Investors' Grievances Committee- HindustanConstruction Co.Ltd Member : Audit Committee- HindustanConstruction Co.Ltd.
<i>Company's Shares held</i>	1230	Nil

X MEANS OF COMMUNICATION

- a) **Quarterly, Half Yearly and Annual Results:** Quarterly, Half Yearly and Annual Results were published in 'Economic Times' and/or 'Financial Express' and/or 'Free Press Journal', 'Maharashtra Times' and/or 'Apla Mahanagar' and/or 'Navshakti'.
- b) **News Release, Presentation, etc:** Official news releases, detailed presentations made to media, analysts, institutional investors, if any, are displayed on the Company's website www.modernindia.co.in.
- c) **Web-site:** The Company's website www.modernindia.co.in contains a separate section on 'Investor Relations' where shareholders information is available. Full Annual Report is also available on the website in a user friendly and downloadable form.
- d) **Annual Report:** Annual Report containing, inter alia, Audited Annual Accounts, Consolidated Financial Statements, Directors' Report, Auditors' Report and other important information is circulated to the members and others entitled thereto.
- e) **BSE WEBSITE:** Annual Report, Quarterly Results, Shareholding Pattern, etc. of the Company were also posted on the BSE website www.bseindia.com.

XI CODE OF BUSINESS CONDUCT AND ETHICS FOR DIRECTORS AND SENIOR MANAGEMENT

The Board at its meeting held on 15th January, 2009 adopted the revised Code of Business Conduct and Ethics for Directors and Senior Management ('the Code'). The Code is a comprehensive Code applicable to all Directors, Executive as well as Non-Executive and also to the members of Senior Management. The Code while laying down, in detail, the standards of business conduct, ethics and governance, centers on the following theme – "The Company's Board of Directors and Senior Management are responsible for and are committed to setting the standards of conduct contained in the Code and for updating these standard, as appropriate, to ensure their continuing relevance, effectiveness and responsiveness to the needs of local and international investors and all other stakeholders as also to reflect corporate, legal and regulatory developments. The Code should be adhered to in letter and in spirit."

A copy of the Code has been put on the Company's website www.modernindia.co.in. The Code has been circulated to all the members of the Board and Senior Management and the compliance of the same has been affirmed by them.

A declaration signed by the Chairman & Managing Director has been given below:

I hereby confirm that:

The Company has obtained from all the members of the Board and Senior Management, affirmation that they have complied with the Code of Business Conduct and Ethics for Directors and Senior Management in respect of the financial year 2012-13

Vijay Kumar Jatia
Chairman & Managing Director

XII GENERAL SHAREHOLDER INFORMATION

AGM: Date, time and venue	Tuesday, the 23 rd July, 2013 at 4.00 p.m. at the Registered Office of the Company at Modern Centre, Sane Guruji Marg, Mahalaxmi, Mumbai - 400 011.
Financial Calendar (Tentative)	Unaudited Financial Results for quarter ending 30 th June, 2013 On or before 14 th August, 2013 Unaudited Financial Results for quarter ending 30 th September, 2013 On or before 14 th November, 2013 Unaudited Financial Results for quarter ending 31 st December, 2013 On or before 14 th February, 2014 Results for the year ending 31 st March, 2014 Audited Financial Results - on or before 30 th May, 2014
Date of Book closure	16 th day, July, 2013 to 23 rd day, July, 2013 (Both days inclusive), for payment of dividend and 79 th Annual General Meeting.
Dividend Payment Date	After 23 rd July, 2013
Listing on Stock Exchanges :	The Bombay Stock Exchange Limited, Mumbai. The Company has paid the Listing Fees for the year 2013-14 to the Exchange.
Stock Code :	BSE- 503015
Demat ISIN No for NSDL & CDSL :	INE251D01023
Registrar & Share Transfer Agents:	Satellite Corporate Services Pvt. Ltd. B-302, Sony Apartment, Off. Andheri-Kurla Road, Jarimari, Sakinaka, Mumbai 400 072 Tel. No. +91-22-28520461/462

Share Transfer System:

All the applications for transfer of shares in physical form are first processed by the Company's Share Transfer Agents M/s Satellite Corporate Services Pvt. Ltd. Thereafter the same are approved by the Managing Director/Company Secretary. Thereafter the duly approved transfers are registered and the relevant certificates are returned to the Transferees within the stipulated period. The dematerialized shares are transferred/ transmitted through NSDL and CDSL, the Depositories.

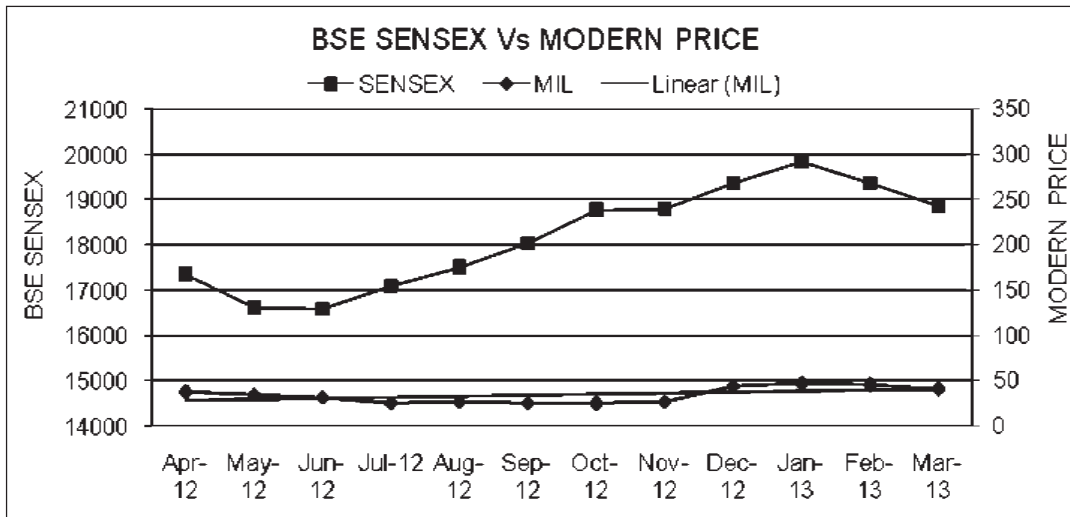
A summary of transfer/transmission of shares of the Company so approved by the Managing Director/Company Secretary

is placed at every Board Meeting. The Company obtains from a Company Secretary – in - Practice half-yearly certificate of compliance with the share transfer formalities as required under Clause 47(c) of the Listing Agreement with Stock Exchange and files a copy of the said certificate with the Stock Exchange.

Stock Market Data:

Months	Low (₹)	High (₹)	Monthly Average Share Price (₹)	Monthly Average BSE Sensitive Index
APRIL,2012	33.05	41.90	37.48	17337.13
MAY ,2012	31.20	39.70	35.45	16621.02
JUNE,2012	26.00	38.65	32.32	16598.73
JULY,2012	23.30	29.00	26.15	17114.83
AUGUST,2012	24.45	29.70	27.07	17499.75
SEPTEMBER,2012	21.70	30.00	25.85	18060.37
OCTOBER,2012	22.10	27.90	25.00	18765.35
NOVEMBER,2012	20.95	32.95	26.95	18814.19
DECEMBER,2012	32.00	56.60	44.30	19380.60
JANUARY,2013	42.90	51.65	47.27	19856.29
FEBRUARY,2013	42.15	48.50	45.32	19380.33
MARCH,2013	37.40	44.40	40.90	18878.04

Source: BSE website



The nominal and paid-up value of Equity Shares is ₹ 2/- each

The graphical presentation is based on the face value of ₹2/- per equity share

Distribution of shareholding as on 31st March, 2013
Shareholding Pattern by size

Sr. No.	Shareholding of Nominal Value ₹	Number of Shareholders	Percentage	Face Value Amount in ₹	Amount in Percentage
1	Up to 2500	3444	96.12	2327578	3.10
2	2501 to 5000	65	1.81	425048	0.57
3	5001 to 10000	34	0.95	463562	0.62
4	10001 to 20000	14	0.39	379198	0.51
5	20001 to 30000	1	0.02	54720	0.07
6	30001 to 40000	3	0.08	208558	0.28
7	40001 to 50000	1	0.02	100000	0.13
8	50001 to 100000	1	0.02	145832	0.19
9	100001 and above.	20	0.55	70981004	94.53
TOTAL		3583	100.00	75085500	100.00

Share Ownership Pattern

Category	No of Shares held	Percentage of Shareholding
A Promoters' holding		
a Indian Promoters	3812855	10.16
b Foreign Promoters	-	-
c Persons acting in concert	28530320	75.99
Sub-Total	32343175	86.15
B Non-Promoters' Holding		
Institutional Investors		
a Mutual Funds and UTI	-	-
b Banks, Financial Institutions, Insurance Companies	1979216	5.27
c FIs	-	-
Sub-Total	1979216	5.27
C Others		
a Private Corporate Bodies	1242783	3.31
b Indian Public	1687036	4.49
c NRIs/OCBs	290540	0.78
Sub-Total	3220359	8.58
D Any other (Foreign nationals)	-	-
Grand Total	37542750	100.00

Minimum Public Shareholding

Minimum Public Shareholding As per Clause 40A of the Listing Agreement, pursuant to Rule 19(2)(b) of the Securities Contracts (Regulation) Rules, 1957, Listed Company is required to maintain minimum Public Shareholding of not less than 25% of the total number of issued Shares. The Promoters could dilute their holding to 86.15% till 31st March, 2010. Now, the said minimum shareholding is required to be there by 3rd June, 2013.

The Promoters would continue to dilute their holding up to 75% of the total equity capital in the manner and the method stated in Clause 40A by the said time limit.

Dematerialization of shares and liquidity:

As on 31.03.2013, 3,52,91,420 Equity Shares of the Company had been dematerialized, which represent 93.99 % of the Paid up Capital of the Company.

Outstanding GDRs/ ADRs/ Warrants or any Convertible instruments, conversion date and likely impact on equity.

There are no GDRs/ ADRs / Warrants or any Convertible instruments outstanding as on 31st March 2013.

Address for correspondence:

Registered Office:

Modern Centre, Sane Guruji Marg,
Mahalaxmi, Mahalaxmi, Mumbai 400011
Ph. Nos.67444200
Fax Nos.23075787/23004230

Registrar & Share Transfer Agents:

Satellite Corporate Services Pvt. Ltd.
B-302, Sony Apartment, Jarimari, Sakinaka,
Mumbai 400 072
Ph. Nos.28520461/462
Email address : service@satellitecorporate.com

XIII OTHER INFORMATION

CEO/CFO Certification

Pursuant to the provisions of sub-clause V of Clause 49 of the Listing Agreement with the Stock Exchange, the Managing Director (CEO) has issued a certificate to the Board of Directors, for the year ended 31st March, 2013

XIV NON MANDATORY REQUIREMENTS

- The Board

Since your Company has Executive Chairman he is entitled to a salary which is approved by the Remuneration committee.

The Company ensures that every member has the requisite qualification to be on the Board and proves to be an asset to the Organization.

- Remuneration Committee

The Company has a remuneration Committee in place comprising of three Non-Executive Independent Directors.

- Shareholders Right

An annual declaration of financial performance is sent to all the Shareholders. Quarterly results are also published in the newspapers. Shareholder's approval is sought whenever it is required as per the provisions of the Companies Act, 1956.

- Audit Qualification

The Company is moving towards the regime of Unqualified Financial Statements.

- Training of Board Members

The Board comprises of very senior and experienced members who are very well versed with their duties and discharge them effectively.



-
- Mechanism for evaluating Non-Executive Board Members.
While proposing re-election of the Non-Executive Directors, their contributions are always taken into consideration.
 - Whistle Blower Policy
The same may be introduced in future at the right time when considered appropriate.

XV COMPLIANCE CERTIFICATE

Compliance Certificate for Corporate Governance from the Auditors of the Company is given as Annexure to this Report

**For and on behalf of the
Board of Directors**

Mumbai,
dated 04th May, 2013

Vijay Kumar Jatia
Chairman & Managing Director

Annexure

AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

To the Shareholders,
Modern India Limited,
Mumbai.

We have examined the compliance of conditions of Corporate Governance by Modern India Limited for the year ended 31st March 2013, as stipulated in Clause 49 of the Listing Agreement of the said Company with Stock Exchange.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion in the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For K.S. Aiyar & Co.
Chartered Accountants
Firm Regn. No. 100186W

Mumbai,
dated 04th May, 2013

Satish Kelkar
Partner
M. No. 38934

INDEPENDENT AUDITOR'S REPORT

To the Members of Modern India Limited Report on the Financial Statements

We have audited the accompanying financial statements of **Modern India Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2013, and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- (a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2013;
- (b) in the case of the Statement of Profit and Loss, of the profit for the year ended on that date; and
- (c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Emphasis of Matter

Without Qualifying our opinion we draw attention to:-

1. Note no.28 of Notes to Accounts, wherein despite accumulated loss of ₹ 648.98 Lacs as at 31st March 2013, incurred by one of its subsidiaries namely Modern India Property Developers Limited (MIPDL), no provision is considered necessary in company's long term investment of ₹ 1500 Lacs in MIPDL as in the opinion of the management the diminution in value of investment is temporary in nature.

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2. Note No.32 wherein remuneration of ₹ 17.13 Lacs in excess of limits specified under Schedule XIII to the companies act has been paid to the Managing Director pending approval from Central Government.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by section 227(3) of the Act, we report that:
- we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - in our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
 - the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
 - in our opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement comply with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956;
 - on the basis of written representations received from the directors as on March 31, 2013, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2013, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

For K.S.Aiyar & Co.
Chartered Accountants
Firm's Registration Number: 100186W

Satish K.Kelkar
Partner
Membership Number: 38934

Place : Mumbai
Date: May 04, 2013

ANNEXURE

Re: Modern India Limited.

Referred to in paragraph 1 on Report on Other Legal and Regulatory Requirements of our report of even date on the financial statement for the year ended 31st March 2013.

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of Fixed Assets.
- (b) A substantial portion of fixed assets have been physically verified by the management during the year. In our opinion the same is reasonable having regard to the size of the Company and the nature of its fixed assets. No material discrepancies were noticed on such verification.
- (c) During the year the Company has not disposed off any substantial part of its fixed assets.
- (ii) (a) The inventory has been physically verified during the year by the management at reasonable intervals.
- (b) The procedures for physical verification of inventory followed by the management are reasonable and adequate in relation to size of the Company and nature of its business.
- (c) In our opinion and according to the explanation given to us, The Company is maintaining proper records of inventory. The discrepancies noticed on verification between the physical stocks and the book records were not material and properly dealt within the books of accounts.
- (iii) (a) The Company has granted unsecured loans to four parties covered in the register maintained under section 301 of the Companies Act, 1956 wherein the balance of principal amount and Interest recoverable as at the year-end is ₹ Nil. (Previous year ₹ 14.17 Lacs)

Maximum balances of Loan outstanding at any point of time during the year:

(In ₹ Lakhs)

Parties	Amount
F Pudumjee Company Limited	0.48
Shree Ranisati Investment and finance Limited	281
Modern India Free Trade Warehousing Private Limited(MIFTWPL)	271
Modern India Property Developers Limited(MIPDL)	11

- (b) In our opinion, the rate of interest and other terms and conditions of loans given by the Company unsecured, to above parties listed in the register maintained under section 301 of the Companies Act, 1956 are not, prima-facie, prejudicial to the interest of the Company. In the case of MIPDL, a wholly owned subsidiary, no interest has been charged by the company on the grounds of commercial expediency.
- (c) In respect of the above loans granted, receipt/renewal of the principal amount and interest (wherever applicable) were regular, as stipulated.
- (d) According to the information and explanation given to us, we are of the opinion there are no overdue amount of more than one lac rupees in case of principal and interest
- (e) The Company has taken unsecured loan from two parties listed in the register maintained under section 301 of the Companies Act, 1956 wherein the balance of principal amount and Interest Payable as at the year-end is ₹ Nil and ₹ 9.61 Lakhs respectively.

Maximum balances outstanding at any point of time during the year:

(In ₹ Lakhs)

Parties	Amount
F Pudumjee Company Limited	50
Shree Ranisati Investment and finance Limited (SRIFL)	416

- (f) In our opinion and according to the explanations given to us, the rate of interest and other terms and conditions of the aforesaid loan are not, prima facie prejudicial to the interest of the company.
- (g) In our opinion and according to the explanations given to us, the company is regular in paying the principal and interest as stipulated.
- (iv) In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business, for the purchases of inventory and fixed assets and for the sale of goods and services. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in the internal control system.
- (v) (a) The particulars of contracts or arrangements referred to in section 301 of the Companies Act, 1956 have been entered in the register required to be maintained under that section.
- (b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of such contracts or arrangements exceeding ₹ 5,00,000 have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time.
- (vi) The Company has not accepted any deposit from public. Therefore, provisions of Section 58A and 58AA or any other relevant provision of the Companies Act, 1956 and the Companies (Acceptance of Deposits) Rules, 1975 with regard to the deposits accepted from the public are not applicable to the Company. No order has been passed by the Company Law Board, National Company Law Tribunal or Reserve Bank of India or any Court or any other Tribunal.
- (vii) In our opinion, the Company has an internal audit system commensurate with its size and nature of its business.
- (viii) Rules made by the Central Government for the maintenance of cost records under Section 209 (1)(d) of the Companies Act, 1956 are not applicable to the activities of the company.
- (ix) (a) The Company is generally regular in depositing with appropriate authorities, undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employee's State Insurance, Income Tax, Sales Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, Cess and any other material statutory dues applicable to it and there are no arrears outstanding as at the year end for a period of more than six months from the date they became payable.
- (b) According to the information and explanations given to us and records of the Company, there are no disputed amounts in respect of the sales tax/VAT, income tax, custom duty, excise duty, wealth tax and service tax and cess which have not been deposited as on 31st March 2013.
- (x) The Company does not have any accumulated losses as per the Balance Sheet as at the end of the financial year. The Company has not incurred cash losses during the financial year covered by our audit and also in the immediately preceding financial year.
- (xi) In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to any financial institution, bank or debenture holders.

-
- (xii) According to the information and explanations given to us, the Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- (xiii) The Company is not a Chit Fund or a Nidhi/Mutual Benefit Fund/Society. Therefore, the provisions of Clauses 4(xiii) of the Companies (Auditor's Report) Order, 2003 (as amended) are not applicable to the Company.
- (xiv) In our opinion, the Company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provisions of clause 4(xiv) of the Companies (Auditor's Report) Order, 2003 (as amended) are not applicable to the Company.
- (xv) The company has given a corporate guarantee for loans taken by foreign subsidiary from the bank. However, the terms and conditions thereof are not prejudicial to the interest of the company.
- (xvi) The term loan has been applied for the purpose for which it was raised.
- (xvii) According to the information and explanations given to us, and on an overall examination of Balance Sheet of the Company, we report that funds raised on short-term basis have not been used for long term investment/applications.
- (xviii) The Company has not made any preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Companies Act, 1956.
- (xix) The Company has not issued any debentures during the financial year.
- (xx) The Company has not raised any money during the year by public issue.
- (xxi) As per the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the course of our audit.

For K.S.Aiyar & Co.
Chartered Accountants
Firm's Registration Number: 100186W

Satish K.Kelkar
Partner
Membership Number: 38934

Place : Mumbai
Date: May 04, 2013



BALANCE SHEET AS AT 31ST MARCH, 2013

		(Amount in ₹)	
		As at	As at
		March 31st, 2013	March 31st, 2012
I. EQUITY AND LIABILITIES			
(1) Shareholders' Funds:			
(a) Share Capital	2	7,50,85,930	7,50,85,930
(b) Reserves and Surplus	3	40,94,28,389	38,18,85,576
		<u>48,45,14,319</u>	<u>45,69,71,506</u>
(2) Non-current Liabilities:			
(a) Long-term Borrowings	4	12,72,28,365	15,26,93,899
(b) Deferred Tax Liabilities (Net)	5	1,15,66,119	44,72,947
(c) Other Long Term Liabilities	6	45,00,00,000	35,00,46,000
(d) Long-term Provisions	8	42,37,000	53,89,000
		<u>59,30,31,484</u>	<u>51,26,01,846</u>
(3) Current Liabilities:			
(a) Short-term Borrowings	9	24,65,55,436	33,70,73,216
(b) Trade Payables		14,62,00,853	14,56,33,217
(c) Other Current Liabilities	10	8,93,32,047	13,88,03,164
(d) Short-term Provisions	11	2,63,13,249	2,03,75,224
		<u>50,84,01,585</u>	<u>64,18,84,821</u>
TOTAL		1,58,59,47,388	1,61,14,58,173
II. ASSETS:			
(1) Non-current Assets			
(a) Fixed Assets	12		
(i) Tangible Assets		19,33,58,479	18,72,80,790
(ii) Intangible Assets		2,97,697	6,03,129
(iii) Capital work-in-progress		3,56,07,640	4,82,36,157
		<u>22,92,63,816</u>	<u>23,61,20,076</u>
(b) Non-current Investments	13	25,29,73,086	24,97,01,902
(c) Long term Loans and Advances	14	8,23,64,242	8,23,82,242
(2) Current Assets:			
(a) Current Investments	15	49,23,846	-
(b) Inventories	16	28,27,90,994	32,76,98,472
(c) Trade Receivables	17	39,63,13,885	43,10,65,591
(d) Cash and Bank Balances	18	3,71,00,048	62,52,084
(e) Short term Loans and Advances	19	25,06,66,192	20,55,57,162
(f) Other Current Assets	20	4,95,51,279	7,26,80,644
		<u>1,02,13,46,244</u>	<u>1,04,32,53,953</u>
TOTAL		1,58,59,47,388	1,61,14,58,173
Significant Accounting Policies & Notes on Accounts		1 to 44	

As per our report attached
For K. S. Aiyar & Company
 Chartered Accountants
 Firm Reg. No. 100186W

Satish Kelkar
 Partner
 M. No. 38934
 Mumbai, dated 4th May, 2013

Vijaykumar Modi
 G.M. (Legal) & Company Secretary

N. K. Deora
 Financial Controller

For and on behalf of the Board of Directors
V. K. Jatia
 Chairman & Managing Director

Directors

R. Sethna	A. Didwania
R. R. Doshi	D. J. Thakkar
S. D. Israni	Gauri Jatia

Mumbai, dated 4th May, 2013



Statement of Profit and Loss for the Year ended 31st March, 2013

		(Amount in ₹)		
	Note	2012-2013	2011-2012	
I.	Revenue from Operations	22	4,48,18,35,004	2,96,86,72,058
II.	Other Income	23	7,15,81,378	6,77,45,645
III.	Total (I + II)		<u>4,55,34,16,382</u>	<u>3,03,64,17,703</u>
IV.	Expenses:			
	(a) Purchase of Traded Goods		4,28,15,97,535	2,93,54,81,764
	(b) Changes in inventories of Stock -in-trade	24	4,78,67,738	(10,57,74,751)
	(c) Employee benefits expenses	25	3,35,80,474	3,15,62,470
	(d) Finance Cost	26	2,59,29,519	3,55,12,899
	(e) Depreciation and Amortization expenses		1,56,20,535	1,66,22,864
	(f) Other expenses	27	6,95,67,180	6,83,94,294
	Total		<u>4,47,41,62,981</u>	<u>2,98,17,99,540</u>
V.	Profit before exceptional and extraordinary items and tax		7,92,53,401	5,46,18,163
VI.	Exceptional item - Net	30	1,62,89,423	5,86,42,802
VII.	Profit / (Loss) before extraordinary items and tax		<u>6,29,63,978</u>	(40,24,639)
VIII.	Extraordinary Items		-	-
IX.	Profit / (Loss) before Prior period Expenses and Tax		<u>6,29,63,978</u>	(40,24,639)
X.	Prior Period Expenses - Interest		15,01,433	-
XI.	Profit / (Loss) before Tax		<u>6,14,62,545</u>	(40,24,639)
XII.	Tax expense:			
	(1) Current Tax (MAT)		1,19,50,000	-
	Less: MAT Credit Entitlement		(69,40,000)	-
	Net Current Tax		<u>50,10,000</u>	-
	(2) Deferred Tax		70,93,171	(70,96,753)
XIII.	Profit for the period after Tax		<u>4,93,59,374</u>	<u>30,72,114</u>
XVI.	Earnings per Equity Share	41		
	(1) Basic		1.31	0.08
	(2) Diluted		1.31	0.08
	Significant Accounting Policies & Notes on Accounts	1 to 44		

As per our report attached
For K. S. Aiyar & Company
Chartered Accountants
Firm Reg. No. 100186W

Satish Kelkar
Partner
M. No. 38934
Mumbai, dated 4th May, 2013

Vijaykumar Modi
G.M. (Legal) & Company Secretary

N. K. Deora
Financial Controller

For and on behalf of the Board of Directors
V. K. Jatia
Chairman & Managing Director

Directors

R. Sethna	A. Didwania
R. R. Doshi	D. J. Thakkar
S. D. Israni	Gauri Jatia

Mumbai, dated 4th May, 2013



CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2013.

	2012-2013	2011-2012
A. Cash Flow From Operating Activities:		
Net Profit Before Tax and Extraordinary Items	629.64	(40.25)
Add / (Less) :		
Depreciation	156.21	166.23
Income from Financing Activity	(28.69)	(15.70)
Interest Income	(562.32)	(567.17)
Loss/(Profit) on sale of Fixed Assets	9.60	8.56
Interest Expenses	259.30	355.13
Provision for Diminution	-	2.55
Provision Written Back	(4.73)	(17.86)
Operating Profit/(Loss) before working Capital Changes	459.00	(108.51)
Inventories	449.07	(900.75)
Trade Receivables	347.52	(1,163.85)
Other Receivables	(270.54)	(422.65)
Current Liabilities	(258.37)	(174.42)
Cash Generated from Operations	726.68	(2,770.18)
Direct Taxes Paid (Net)	(9.11)	(139.54)
Net Cash Used in Operating Activities	717.57	(2,909.72)
B. Cash Flow from Investing Activities:		
Purchase of Fixed Assets	(109.07)	(358.71)
Purchase of Investments	(81.95)	(201.87)
Sale of Fixed Assets	11.83	20.95
Sale of Investment	19.95	19.80
Income from Financing Activity	8.74	15.70
Interest Received	562.32	411.82
Net Cash Used in Investing Activities	411.82	33.65
C. Cash Flow from Financing Activities:		
Repayment of Long Term Borrowings	(231.53)	(1,146.65)
Proceeds from Short Term Borrowings	(155.55)	3,108.39
Interest Paid	(259.30)	(355.13)
Dividend Paid	(174.53)	(175.11)
Net Cash from Financing Activities	(820.91)	1,431.50
Net Increase/(Decrease) in Cash and Cash Equivalents (A+B+C)	308.48	(1,444.57)
Opening Balance of Cash and Cash Equivalents	62.52	1507.09
Closing Balance of Cash and Cash Equivalents	371.00	62.52
Net Increase/(Decrease) as disclosed above	308.48	(1,444.57)

As per our report attached
For K. S. Aiyar & Company
 Chartered Accountants
 Firm Reg. No. 100186W

Satish Kelkar
 Partner
 M. No. 38934
 Mumbai, dated 4th May, 2013

Vijaykumar Modi
 G.M. (Legal) & Company Secretary

N. K. Deora
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For and on behalf of the Board of Directors
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 Chairman & Managing Director

Directors
R. Sethna **A. Didwania**
R. R. Doshi **D. J. Thakkar**
S. D. Israni **Gauri Jatia**

Mumbai, dated 4th May, 2013

Note No.1 SIGNIFICANT ACCOUNTING POLICIES

A. BASIS OF PREPARATION OF FINANCIAL STATEMENTS :

The financial statements have been prepared in accordance with generally accepted accounting principles in India (Indian GAPP). These financial statements have been prepared to comply in all material aspects with the accounting standards notified under the Companies (Accounting Standards) Rules, 2006 and the relevant provisions of the Companies Act, 1956. The Financial Statements are prepared under the Historical Cost Convention on accrual basis.

B. USE OF ESTIMATES:

The preparation of financial statements requires the management to make estimates and assumptions that affect the reported amounts of assets, liabilities and contingent liabilities on the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Differences between actual results and estimates are recognized in the period in which the results are known / materialized.

C. FIXED ASSETS :

(i) Tangible Assets;

Fixed Assets are stated at the cost of acquisition including the expenses relating to acquisition, erection, construction, and interest upto the date of installation / completion of construction of the assets less accumulated depreciation.

(ii) Intangible Assets;

Intangible assets acquired separately are stated at cost. Intangible assets are carried at cost less accumulated amortization. Internally generated intangible assets are not capitalized.

D. DEPRECIATION / AMORTIZATION:

(i) Tangible Assets;

Depreciation is provided at the rates and in the manner specified in Schedule XIV to the Companies Act, 1956 as under:

- (i) on Plant and Machinery acquired upto March 31, 1996 on Straight Line Method.
- (ii) on Plant and Machinery acquired on or after April 1, 1996 on Written Down Value Method.
- (iii) on Residential Flats, on Straight Line Method.
- (iv) on other assets, on Written Down Value Method.

(ii) Intangible Assets;

Intangible assets are amortized on a straight line basis over their estimated useful economic life. The company uses a rebuttable presumption that the useful economic life of an intangible asset will not exceed three years from the date when the asset is available for use.

E. INVESTMENTS:

- (i) Investments, which are readily realizable and intended to be held for not more than one year from the date on which such investments are made, are classified as current investments. All other investments are classified as non-current (long-term) investments.
- (ii) Current investments are carried in the financial statements at lower of cost and fair value. Non current investments are carried at cost. Provision for diminution in value of non current investment is made to recognize a decline other than temporary in their value.
- (iii) On disposal of an investment, the difference between its carrying amount and net disposal proceeds is charged or credited to the statement of profit and loss.

F. INVENTORIES are valued as under:

- (i) Trading Goods : At lower of Cost and Net Realizable Value
- (ii) Stores / Consumables : At lower of Cost and Net Realizable Value

Cost is arrived at on FIFO basis and includes costs incurred in bringing the inventories to their present location and condition.

(iii) Real Estate Business:

- (a) Land : At lower of Book and Net Realizable Value
- (b) Unsold Flat : At lower of Cost and Net Realizable Value

G. REVENUE RECOGNITION:

- (i) Revenue from sale of goods is recognized when all the significant risks and rewards of ownership of the goods have been passed to the buyer, usually on delivery of the goods. Sales taxes and value added taxes (VAT) are excluded from revenue. Sales of flats are accounted at contracted rate on handing over the possession. Revenue from Commodities Trading is recognized at the time of contracted date of delivery.
- (ii) Income from Vocational Training Fees is recognized on the basis of completed period in respect of each course / semester as compared with the total duration of the same. Revenue from Exhibitions are recognized on completion of the respective events.
- (iii) Income other than Sales is recognized, wherever applicable, in terms of agreements with concerned parties over the period of the contract as and when services are rendered. Service tax is excluded from revenue.
- (iv) Interest income is recognized on time proportion basis taking into account the amount outstanding and rate applicable. Dividend income is recognized when the Company's right to receive dividend is established.

H. FINANCE COSTS:

- (i) Finance cost includes interest, ancillary costs in connection with the arrangement of borrowings and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost.
- (ii) Finance costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use are capitalized as part of the cost of the respective asset. All other borrowing costs are expensed in the period they occur.

I. EMPLOYEE BENEFITS:

(i) **Defined Contribution Plan:**

Retirement benefit in the form of provident fund is a defined contribution scheme. The contributions to the provident fund and applicable charges are charged to the statement of profit and loss of the year on due basis. The company has no obligation, other than the contribution payable to the provident fund.

(ii) **Defined Benefit Plan:**

Retirement Benefit in the form of Gratuity is considered as Defined Benefit Obligation and is provided on the basis of Actuarial Valuation using the Projected Unit Credit Method as at the date of Balance Sheet.

(iii) **Other Benefits:**

Accumulated leave which is expected to be utilized within the next 12 months is treated as short term employee benefit. Accumulated leave which is expected to be utilized beyond 12 months from the end of the year is treated

as long term employee benefit. The Company's liability is actuarially determined using the Projected Unit Credit Method as at the date of Balance Sheet.

Actuarial Gains / Losses are recognized in the Statement of Profit and Loss in the year in which they arise.

J. FOREIGN CURRENCY TRANSLATIONS:

Transactions in Foreign Currency are recorded at the exchange rate prevailing on the date of the transaction. Exchange differences on monetary items are recognized in the Statement of Profit and Loss of the year in which they arise. Balances at the year end are accounted for as under:

- (i) Investments in Shares of Foreign Subsidiary Company incorporated outside India are expressed in Indian Currency at the rates of exchange prevailing at the time when the Investments were made.
- (ii) Monetary items in the form of current assets and current liabilities in foreign currency outstanding at the close of the year, are converted in Indian Currency at the appropriate rates of exchange prevailing on the date of the Balance Sheet. Resultant gain or loss is recognized in the Statement of Profit and Loss.

K. TAX EXPENSE COMPRISES CURRENT AND DEFERRED TAX

- (i) Current income-tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income-tax Act, 1961 enacted in India. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date. Minimum alternate tax (MAT) paid in a year is charged to the statement of profit and loss as current tax. The company recognizes MAT credit available as an asset only to the extent that there is convincing evidence that the company will pay normal income tax during the specified period, i.e. the period for which MAT credit is allowed to be carried forward.
- (ii) Deferred Tax is recognized subject to the consideration of prudence, on timing differences, being the difference between taxable profits and book profits that originate in one year and are capable of reversal in one or more subsequent years, using the tax rates and laws that have been enacted or substantively enacted as at the Balance Sheet date. Deferred Tax Assets are recognized to the extent there is virtual certainty that these assets can be realized in future. Net Deferred Tax Liability is arrived after set off of Deferred Tax Assets.

L. SEGMENT REPORTING:

Revenue and expenses have been identified to segments on the basis of their relationship to the operating activities of the segment. Revenue and expenses, which relate to the enterprise as a whole and are not allocable to segments on a reasonable basis have been included under "Unallocable / Corporate".

M. EARNINGS PER SHARE:

Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.

N. PROVISIONS & CONTINGENCIES:

A Provision is recognized when there is a present obligation as a result of a past event if it is probable that an outflow of resources will be required to settle the obligation and in respect of which reliable estimates can be made. Provisions are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the year end date. Contingent Liabilities are not recognized but are disclosed in the financial statements. Contingent Assets are neither recognized nor disclosed in the financial statements.

O. IMPAIRMENT OF ASSETS:

An asset is treated as impaired when the carrying cost of asset exceeds its recoverable amount. An impairment loss is charged to the Statement of Profit and Loss in the year in which an asset is identified as impaired. The impairment loss recognized in prior accounting period is reversed if there has been a change in the estimate of recoverable amount.

Note No: 2 Share Capital

	As at March 31, 2013		As at March 31, 2012	
	Number	₹	Number	₹
Authorized:				
Preference Shares of ₹ 100/- each	10,000	10,00,000	10,000	10,00,000
Equity Shares of ₹ 2/- each	12,45,00,000	24,90,00,000	12,45,00,000	24,90,00,000
		<u>25,00,00,000</u>		<u>25,00,00,000</u>
Issued:				
Equity Shares of ₹ 2/- each	3,75,47,000	7,50,94,000	3,75,47,000	7,50,94,000
		<u>7,50,94,000</u>		<u>7,50,94,000</u>
Subscribed & Fully Paid up:				
Equity Shares of ₹ 2/- each	3,75,42,750	7,50,85,500	3,75,42,750	7,50,85,500
Forfeited Equity Shares - Amount originally Paid up		430		430
TOTAL		<u>7,50,85,930</u>		<u>7,50,85,930</u>

(a) **Reconciliation of the shares outstanding at the beginning and at the end of the reporting period.**

Equity Shares

Shares outstanding at the beginning of the year	3,75,42,750	7,50,85,500	3,75,42,750	7,50,85,500
Shares Issued during the year	-	-	-	-
Shares bought back during the year	-	-	-	-
Shares outstanding at the end of the year	3,75,42,750	7,50,85,500	3,75,42,750	7,50,85,500

(b) **Terms / Rights attached to Equity Shares:**

The Company has only one class of Equity Shares having a par value of ₹ 2/- per Share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividends in Indian Rupees and every equity share is entitled to the same rate of dividend.

(c) **Details of shareholders holding more than 5% shares in the Company**

	No. of Equity Shares held	No. of Equity Shares held
Shree Ranisati Investment & Finance Ltd	88,25,221	88,25,221
Sarat Leasing & Finance Ltd	77,07,500	77,07,500
F Pudumjee Investment Company Ltd	57,72,008	57,72,008

Note No: 3 Reserves and Surplus

	As at March 31, 2013		As at March 31, 2012	
	₹	₹	₹	₹
(i) Capital Reserve				
As per last Balance Sheet	2,31,43,666		2,38,76,566	
Less: Transferred to Capital Work in Progress		-		7,32,900
		<u>2,31,43,666</u>		<u>2,31,43,666</u>
(ii) Capital Redemption Reserve				
		8,91,050		8,91,050
(iii) Other Reserve - General Reserve				
As per last Balance Sheet	2,27,59,000		2,25,18,000	
Add: Transfer from Statement of Profit and Loss		49,36,000		2,41,000
Closing Balance		<u>2,76,95,000</u>		<u>2,27,59,000</u>

	As at March 31, 2013	As at March 31, 2012
	₹	₹
(iv) Surplus:		
As per last Balance Sheet	33,50,91,860	34,97,13,995
Add: Net Profit for the Current Year	4,93,59,374	30,72,114
	<u>38,44,51,234</u>	<u>35,27,86,109</u>
Less: Proposed Dividend on Equity Shares @ 0.50 per share.	1,87,71,375	1,50,17,100
Less: Tax on Distributed Profits	30,45,186	24,36,149
Less: Transfer to General Reserve	49,36,000	2,41,000
Closing Balance	<u>35,76,98,673</u>	<u>33,50,91,860</u>
Total of Reserves and Surplus	<u>40,94,28,389</u>	<u>38,18,85,576</u>

Note No: 4 Long Term Borrowings

Secured:

(a) Term Loan from Bank	12,66,57,022	14,99,66,057
(b) Car Finance Loans	5,71,343	27,27,842
Total of Long Term Borrowings	<u>12,72,28,365</u>	<u>15,26,93,899</u>

(a) Term Loan from the Bank was taken during the financial year 2009-10 and is repayable in 120 equal monthly installments along with interest from the date of loan. The loan is secured by assignment of rental receivable and also by mortgage of (i) part of Land and Building at Mahalaxmi, Mumbai and (ii) Residential Flats. As at the Balance Sheet date 62 installments of ₹ 33,36,621/- each (inclusive of interest) are outstanding. The loan carries interest in the range of 12% to 13%. Last installment is due on April - 2018.

(b) Car finance Loans from Banks were taken during the financial years 2010-11 and 2011-12 and are repayable in 36 monthly installments with interest. These loans are secured by hypothecation of specific Vehicles acquired.

Note No: 5 Deferred Tax Liabilities (Net):

Deferred Tax Liabilities

(i) Difference between Net Block of Fixed Assets	1,26,60,004	1,26,08,058
(ii) Capital Gains Tax Liability	3,34,200	3,34,200
Gross Deferred Tax Liability	<u>1,29,94,204</u>	<u>1,29,42,258</u>

Deferred Tax Assets

(i) Expenditure under section 43B of the Income Tax Act, 1961	5,05,818	10,05,795
(ii) Long Term Capital Loss	-	14,157
(iii) Unabsorbed Depreciation & Business Loss	-	66,18,408
(iv) Others	9,22,267	8,30,951
Gross Deferred Tax Assets	<u>14,28,085</u>	<u>84,69,311</u>
Net Deferred Tax Liabilities	<u>1,15,66,119</u>	<u>44,72,947</u>

Note No: 6 Other Non Current liabilities

Unsecured:

Security Deposits	(*) 45,00,00,000	35,00,46,000
	<u>45,00,00,000</u>	<u>35,00,46,000</u>

(*) Repayment of Deposits of ₹ 4500.00 Lacs is dependent on development of some of the properties in Mumbai. The deposits do not carry any interest.

As at March 31, 2013

As at March 31, 2012

₹

₹

Note No: 7 Details of dues to Micro and Small Enterprises as required under section 22 of MSMED Act, 2006.

There is no Micro and Small Enterprise to whom the Company owes dues, which are outstanding for more than 30 days as at the Balance Sheet date. Further, the Company has not paid any interest to any Micro and Small Enterprise during the accounting year, nor is any interest payable to any Micro and Small Enterprise as at the Balance Sheet Date. This information as required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006 has been determined to the extent such parties have been identified on the basis of information available with the Company and relied by the Auditors.

Note No: 8 Long Term Provisions
Provision for Employee Benefits: Note No. 33

Gratuity (Unfunded)	27,06,000	23,46,000
Leave Encashment (Unfunded)	15,31,000	30,43,000
	<u>42,37,000</u>	<u>53,89,000</u>

Note No: 9 Short Term Borrowings
Secured: #

(a) Loan Repayable on Demand		
From Bank	-	53,90,533
(b) Trade Payables - Acceptances	24,65,55,436	29,55,13,678
	<u>24,65,55,436</u>	<u>30,09,04,211</u>

Unsecured:

(a) Loan Repayable on Demand		
From Bank	-	2,13,69,005
(b) Loans and Advances from Related Party - repayable on demand	-	1,48,00,000
	-	3,61,69,005
Total Short Term Borrowings	<u>24,65,55,436</u>	<u>33,70,73,216</u>

Secured by hypothecation of Stocks of Trading Goods and book Debts and also secured by mortgage of part of Land & Building at Mahalaxmi, Mumbai.

Note No: 10 Other Current Liabilities
Secured:

(a) Current Maturities of Term Loan	2,17,92,618	1,78,38,347
(b) Current Maturities of Car Finance Loans	21,56,498	37,98,039

Unsecured:

(a) Current Maturities of Long Term Debt	1,97,56,944	6,22,56,944
(b) Deposits	1,84,65,601	9,56,700
(c) Income Received in Advance	65,06,336	51,00,461
(d) Unpaid Dividends #	21,20,853	12,12,220
(e) Other payables - Statutory Dues	40,44,634	4,18,85,489
(f) Other Liabilities	1,44,88,563	57,54,964
	<u>8,93,32,047</u>	<u>13,88,03,164</u>

There is no amount due and outstanding as at Balance Sheet date to be credited to Investors Education and Protection Fund.

As at March 31, 2013
As at March 31, 2012
₹
₹
Note No: 11 Short Term Provisions

(a) Provision for Employee Benefits	35,31,650	19,91,975
(b) Proposed Dividend	1,87,71,375	1,50,17,100
(c) Tax on Distributed Profits	30,45,186	24,36,149
(d) Provision for Wealth Tax	9,65,038	9,30,000
	<u>2,63,13,249</u>	<u>2,03,75,224</u>

Note No: 12 FIXED ASSETS

DESCRIPTION	GROSS BLOCK- AT COST				DEPRECIATION / AMORTIZATION				NET BLOCK	
	As At 01.04.2012	Additions	Disposals	As At 31.03.13	As At 01.04.2012	For the Year	On disposals	Upto 31.03.13	As At 31.03.13	As At 31.03.2012
	(₹)	(₹)	(₹)	(₹)	(₹)	(₹)	(₹)	(₹)	(₹)	(₹)
A Tangible Assets										
Land	2,30,114			2,30,114	-	-		-	2,30,114	2,30,114
Buildings	20,04,27,801	1,61,48,995		21,65,76,796	6,92,16,899	45,99,602	-	7,38,16,501	14,27,60,295	13,12,10,902
Plant and Equipments#	8,22,83,254	21,14,395	45,89,782	7,98,07,867	4,78,93,715	53,44,642	3095597	5,01,42,760	2,96,65,107	3,43,89,539
Furniture and Fixtures	2,60,77,488	34,56,866	7,99,520	2,87,34,834	2,07,25,461	12,21,859	6,24,797	2,13,22,523	74,12,311	53,52,027
Vehicles	2,38,61,066	18,15,646	11,33,635	2,45,43,077	77,62,858	41,49,001	659434	1,12,52,425	1,32,90,652	1,60,98,208
TOTAL (A)	33,28,79,723	2,35,35,902	65,22,937	34,98,92,688	14,55,98,933	1,53,15,104	43,79,828	15,65,34,209	19,33,58,479	18,72,80,790
# Includes Office Equipments										
B Intangible Assets:										
Brands / Trade Marks	7,81,867	-		7,81,867	7,81,867	-		7,81,867	-	-
Computer Software	10,20,835	-		10,20,835	4,17,706	3,05,432		7,23,138	2,97,697	6,03,129
TOTAL (B)	18,02,702	-	-	18,02,702	11,99,573	3,05,432	-	15,05,005	2,97,697	6,03,129
TOTAL (A + B)	33,46,82,425	2,35,35,902	65,22,937	35,16,95,390	14,67,98,506	1,56,20,536	43,79,828	15,80,39,214	19,36,56,176	18,78,83,919
Previous Year	32,74,12,351	1,71,03,549	98,33,475	33,46,82,425	13,70,57,678	1,66,22,864	68,82,036	14,67,98,506	18,78,83,919	
Capital Work In progress									3,56,07,640	4,82,36,157

Note No: 13 Non - Current Investments

	Face Value (₹)	No. of Shares	₹	No. of Shares	₹
A. Trade Investments: In Fully					
Paid Equity Shares At Cost					
Of Subsidiary Companies - Unquoted					
(i) Equity Shares of ₹ 10/- each in Modern India Property Developers Ltd. (Note No. 28)	10	1,50,00,000	15,00,00,000	1,50,00,000	15,00,00,000
(ii) Equity Shares of Modern International (Asia) Ltd. of HKD 1 each.		99,94,000	5,53,89,100	99,94,000	5,53,89,100
(iii) Equity Shares of Modern India Free Trade Warehousing Private Ltd. of ₹ 10/- each.	10	25,500	2,55,000	25,500	2,55,000
Less: Provision for Diminution in Value of Investments - Unquoted			(2,55,000)		(2,55,000)
Total of Trade Investments			20,53,89,100		20,53,89,100

	Face Value (₹)	No. of Shares	₹	No. of Shares	₹
B. Other Investments: At Cost					
(i) In Fully paid up Equity Instruments of Companies - Unquoted					
Equity Shares of Modern Derivatives & Commodities Private Ltd .	10	-	-	250000	25,00,000
Equity Shares of The Shamrao Vithal Co-op Bank Ltd.	25	20000	5,00,000	20000	5,00,000
			<u>5,00,000</u>		<u>30,00,000</u>
(ii) In Fully paid up Debentures - Unquoted #					
		Face Value (₹)	No. of Debentures		
Peninsula Land Limited	10,00,000	5	37,50,000		-
			<u>37,50,000</u>		<u>-</u>
# Represents amount Redeemable after 12 Months					
Total of Other Investments - Unquoted			<u>42,50,000</u>		<u>30,00,000</u>
	Face Value (₹)	No. of Shares	₹	No. of Shares	₹
(ii) In Fully paid up Equity Instruments of Companies - Quoted					
Aurobindo Pharma Ltd	1	-	-	2089	2,38,423
Allcargo Global Logistics Ltd	10	4646	7,31,175	4565	7,20,120
Bajaj Auto Ltd	10	392	5,82,472	392	5,82,472
Bajaj Electricals Ltd	2	824	1,65,152	3768	6,71,167
Bajaj Finance Ltd	10	1924	13,86,255	1648	10,81,243
Bata India Ltd	10	1004	7,85,964	-	-
Cadila Healthcare Ltd	10	1491	11,34,798	1491	11,34,798
Century Tex & Ind Ltd	10	-	-	1917	7,10,407
Cox & Kings Ltd	10	-	-	4402	9,90,954
Emami Ltd	1	1293	4,56,726	1788	6,31,574
Exide Industries Ltd of	1	6822	10,25,858	6281	9,99,415
HCL Technologies Ltd	2	1329	6,46,529	-	-
Indusind Bank Ltd	10	2556	5,97,586	2556	5,97,586
ING Vysya Bank Ltd	10	3803	13,36,032	3803	13,36,032
IPCA Lab Ltd of ' 2/- each	2	4451	13,10,723	4451	13,10,723
Jain Irrigation Systems Ltd	10	5320	6,57,491	5320	6,57,491
KEC International Ltd	10	-	-	12376	9,81,398
Kpit Cummins Infosystems Ltd	2	14188	11,84,293	14188	11,84,293
MRF Ltd	10	100	11,62,696	-	-

	Face	No. of Shares	₹	No. of Shares	₹
	Value (₹)				
Mahindra & Mahindra Fin Ser Ltd	2	4845	6,87,722	969	6,87,722
Mahindra Holidays Resorts Ltd.	10	3890	14,82,102	3890	14,82,102
Manappuram General Fin Leasing Ltd	2	-	-	13473	8,90,858
Opto Circuits (I) Ltd	10	8125	15,21,624	6250	15,21,624
Oracle Financial Ser Software	5	442	12,95,832	-	-
Redington India Ltd	2	-	-	7649	7,35,307
Raymond Ltd	10	-	-	1885	6,48,449
Sun TV Ltd	5	2578	7,66,146	2578	7,66,146
United Phosphorus Ltd of ' 2/- each	2	8265	11,76,489	8265	11,76,489
Zee Entertainment Ents Ltd	10	3587	4,62,321	5012	6,49,628
Axis Bank Ltd	10	-	-	233	2,45,188
ACC Ltd	10	182	2,49,025	-	-
Bajaj Holdings & Invts Ltd	10	-	-	276	2,03,296
Bank of Baroda	10	231	1,77,997	-	-
Bharat Heavy Electricals Limited	2	445	1,53,325	445	1,53,325
Bharati Airtel Ltd	5	894	2,87,215	703	2,38,060
Britannia Industries Ltd	2	225	1,09,378	-	-
CESC Ltd	10	515	1,59,894	-	-
Crompton Greaves Ltd	2	1465	2,06,733	1465	2,06,733
Cipla Ltd	10	-	-	558	1,79,093
Coal India Ltd	10	532	1,81,559	541	1,74,790
CMC Ltd	10	190	1,59,977	-	-
Geodesic Ltd	2	-	-	2792	1,53,887
GVK Power & Infra Ltd	1	15335	2,20,003	15335	2,20,003
Gail India Ltd	10	508	1,79,286	-	-
Grasim Industries Ltd	10	59	1,82,480	-	-
Hindustan Unilever Ltd	1	376	1,78,494	-	-
ICICI Bank Ltd	10	173	1,39,876	182	1,54,852
Indiabull Real Estate Ltd	10	-	-	1112	81,124
Indiabull Infra & Power Ltd	10	9298	25,448	9298	25,448
Indian Oil Corpn Ltd	10	-	-	793	2,53,770
Infosys Ltd	5	87	2,05,884	112	2,47,454
Nestle Ltd	10	25	1,09,741	-	-
NMDC Ltd	1	1129	1,80,317	-	-
ITC Ltd	1	-	-	822	1,66,881
ONGC Limited	5	-	-	724	2,07,626
Orient Paper Ind Ltd	1	1446	47,017	-	-
Orient Cement Ltd	1	1446	64,536	-	-
Pantaloon Retail India Ltd	2	1089	1,86,637	1089	1,86,637

	Face Value (₹)	No. of Shares	₹	No. of Shares	₹
Petronet LNG Ltd	10	1579	2,50,717	-	-
Pidilite Industries Ltd	10	-	-	932	1,50,538
Punjab National Bank	10	302	2,95,273	302	2,95,273
State Bank Of India	10	100	2,06,264	100	2,06,264
Steel Authority of India Ltd	10	2656	1,66,734	-	-
Sterlite Industries Ltd	1	1730	1,85,777	1730	1,85,777
TCS Ltd	10	-	-	202	2,30,749
Tamil Nadu Newsprint & Paper Ltd	10	2043	2,31,019	-	-
Tata Motors DVR A Ord	2	1418	1,16,851	2065	1,70,167
Tata Power Co Ltd	1	2213	2,30,635	-	-
Tata steel Ltd	10	544	2,56,027	544	2,56,027
Union Bank of India	10	470	1,11,164	-	-
Wipro Ltd	10	-	-	780	2,61,539
Shipping Corpn of India Ltd	10	12841	17,97,740	12841	17,97,740
MOIL Ltd	10	520	1,95,000	520	1,95,000
Shoppers Stop Ltd	5	3410	13,27,045	3410	13,27,045
Balkrishna Industries Ltd	2	4332	12,50,835	-	-
PTL Ltd	2	299000	97,52,097	299000	97,52,097
Total			4,03,33,986		4,03,12,802

C. In Units of Mutual Funds - Unquoted At Cost	Face Value(₹)	No. of Units	₹	No. of Shares	₹
Milestone Real Estate Fund.	1,000	1000	10,00,000	1000	10,00,000
India REIT Mumbai Redevelopment Fund	1,00,000	20	20,00,000	-	-
Total			30,00,000		10,00,000
Total Non Current Investments (A+B+C)			25,29,73,086		24,97,01,902
Aggregate amount of quoted investments			4,03,33,986		4,03,12,802
Market Value of Quoted Investments			3,72,78,384		4,01,50,259
Aggregate amount of unquoted investments A+B (i)+C			21,26,39,100		20,93,89,100
Aggregate Provision for Diminution in value of Non - Current Investment			2,55,000		2,55,000
			As at March 31, 2013		As at March 31, 2012
			₹		₹

Note No: 14 **Long Term Loans and Advances**

Others:

(a) Deposits - Unsecured considered good	23,64,242	23,82,242
(b) Other Loans and Advances		
Inter Corporate Loan - Secured considered good (Secured by mortgage in favour of the Company of Residential Flats.)	8,00,00,000	8,00,00,000
	8,23,64,242	8,23,82,242

	As at March 31, 2013	As at March 31, 2012
	₹	₹
Note No: 15 Current Investments #	As at March 31, 2013	As at March 31, 2012.
	Face Value	
	No. of	
	(₹) Debentures	
(i) In fully Paid up Debentures - Quoted		
Lodha Developers Limited	1000000	6
	36,73,846	-
	36,73,846	-
(ii) In fully Paid up Debentures - Unquoted		
Peninsula Land Limited	1000000	5
	12,50,000	-
	12,50,000	-
(# To the extent Redeemable within 12 Months)		
Total Current Investments	49,23,846	-
Aggregate amount of quoted investments	36,73,846	-
Market Value of Quoted Investments	42,72,000	-
Aggregate amount of unquoted investments	12,50,000	-
Note No: 16 Inventories		
(a) Stock in trade (Trading)	24,36,63,413	29,15,31,151
(At the lower of Cost and Net Realizable Value)		
(b) Real Estate Business;		
(i) Unsold Flat	1,85,40,974	1,50,79,000
(At the lower of Cost and Net Realizable Value)		
(ii) Land	2,02,68,697	2,02,68,697
(At the lower of Book and Net Realizable Value)		
(c) Stores	3,17,910	8,19,624
(At the lower of Cost and Net Realizable Value)		
	28,27,90,994	32,76,98,472
Note No: 17 Trade Receivables - Unsecured considered Good:		
(i) Over six months	72,023	3,43,635
(ii) Others	39,62,41,862	43,07,21,956
	39,63,13,885	43,10,65,591
Note No: 18 Cash and Bank Balances		
(i) Cash and Cash Equivalents:		
(a) Balances with Banks	73,31,869	25,24,595
(b) Cash on Hand	9,71,663	17,56,299
(c) Units of Liquid Mutual Funds	2,03,75,663	7,58,970
(ii) Earmarked balances with Banks	84,20,853	12,12,220
	3,71,00,048	62,52,084

	As at March 31, 2013 ₹	As at March 31, 2012 ₹
Note No: 19 Short Term Loans and advances		
(a) Inter Corporate Loans:		
Secured considered good (Secured against Marketable Equity Shares and by mortgage in favour of the Company of Residential Flats and Land)	9,37,26,192	10,30,57,162
Unsecured considered good	15,00,00,000	10,25,00,000
(b) MAT Credit Entitlement	69,40,000	-
	<u>25,06,66,192</u>	<u>20,55,57,162</u>
Note No: 20 Other Current Assets		
(a) Advances Recoverable in Cash or in kind or for value to be received	2,60,88,991	4,50,47,995
(b) Income Tax payments including Tax Deducted at Source (Net of Provision for Tax of ' 7,35,55,796/-)	1,53,32,171	2,08,97,184
	81,30,117	67,35,465
(c) Other Receivables	<u>4,95,51,279</u>	<u>7,26,80,644</u>
Note No: 21 Contingent Liabilities:		
(a) Corporate Guarantee given by the Company to Indian Overseas Bank, Hong Kong on behalf of Wholly Owned Subsidiary M/s. Modern International (Asia) Limited.	32,72,47,643	30,66,12,540
(b) Counter Guarantee given by the Company to the Chairman & Managing Director in respect of Key Man Insurance Policy assigned by him in favour of the Bank for Credit Facility taken by the Company.	-	5,40,00,000
	<u>32,72,47,643</u>	<u>36,06,12,540</u>
Note No: 22 Revenue from Operations		
(a) Sale of Products	4,39,78,93,988	2,87,96,94,802
(b) Sale of Services:		
(i) Income from Business Centre	34,19,561	3,61,98,993
(ii) Vocational Training Fees including income from Exhibitions	70,08,043	96,57,664
(iii) Income from Real Estate Business	1,50,500	1,30,000
(c) Other Operating Revenues		
(i) Rent Income	7,19,68,260	3,62,55,134
(ii) Share of Profit from Joint Venture	13,94,652	67,35,465
	<u>4,48,18,35,004</u>	<u>2,96,86,72,058</u>

	2012-2013 ₹	2011-2012 ₹
Note No: 23 Other Income		
(a) Interest Income	5,62,32,110	5,67,16,882
(b) Dividend Income (Note No. 31)	8,73,634	5,95,942
(c) Net gain on sale of investments:		
Profit on sale of Current Investments	26,48,308	19,78,518
(d) Other Non-operating Income:		
(i) Provision no longer required Written Back	15,95,232	6,175
(ii) Excess Provision for Taxation of earlier year Written Back (Net)	4,72,648	17,85,613
(iii) Miscellaneous income	97,59,446	66,62,515
	<u>7,15,81,378</u>	<u>6,77,45,645</u>

Note No: 24 (Increase) / Decrease in Inventories

Inventories at the end of the Year

(a) Traded Goods	24,36,63,413	29,15,31,151
(b) Land	2,02,68,697	2,02,68,697
(c) Unsold Flat	1,85,40,974	1,50,79,000
	<u>28,24,73,084</u>	<u>32,68,78,848</u>

Inventories at the beginning of the Year

(a) Traded Goods	29,15,31,151	18,85,46,895
Less: Transferred to Fixed Assets	-	27,90,495
	<u>29,15,31,151</u>	<u>18,57,56,400</u>
(b) Land	2,02,68,697	2,02,68,697
(c) Unsold Flat	1,50,79,000	2,79,05,926
Add: Expenses incurred during the year	34,61,974	-
Less: Transferred to Capital Work in Progress	-	1,28,26,926
	<u>1,85,40,974</u>	<u>1,50,79,000</u>
	<u>33,03,40,822</u>	<u>22,11,04,097</u>
(Increase) / Decrease in Inventories	4,78,67,738	(10,57,74,751)

Note No: 25 Employee Benefit Expenses:

Salaries & Wages	2,98,66,597	2,82,70,183
Contribution to Provident and other funds	20,04,779	15,84,523
Gratuities	6,09,946	4,38,723
Staff Welfare Expenses	10,99,152	12,69,041
	<u>3,35,80,474</u>	<u>3,15,62,470</u>

	2012-2013	2011-2012
	₹	₹
Note No: 26 Finance Cost:		
Interest Expenses	2,31,37,091	3,27,60,743
Other Borrowing Cost	27,92,428	27,52,156
	<u>2,59,29,519</u>	<u>3,55,12,899</u>
Note No: 27 Other Expenses:		
Stores Consumed	5,43,006	1,34,167
Power & Fuel	19,03,513	25,93,845
Rent	4,52,755	4,42,684
Water Charges	11,51,359	6,01,842
Repairs to:		
Machinery	12,46,505	8,71,459
Buildings	20,66,686	31,07,858
Others	4,34,900	16,32,887
	<u>37,48,091</u>	<u>56,12,204</u>
Insurance	5,99,984	5,72,424
Rates and Taxes, excluding taxes on income	1,80,55,763	1,64,01,782
Travelling & Conveyance	68,50,884	58,25,948
Legal and Professional Charges	1,23,31,079	1,53,12,997
Donation	25,00,000	2,51,000
Directors Sitting Fees	5,02,024	5,10,000
Directors Commission	6,50,000	-
Provision for Diminution in Value of Investments	-	2,55,000
Loss on Sale of Non Current Investments(Net)	6,53,289	10,03,960
Loss on Sale of Fixed Assets	9,59,832	8,56,269
Bad Debts Written Off	4,00,000	-
Payment to Auditors:		
- Audit Fees	4,49,440	4,83,148
- Tax Audit Fees	55,620	56,180
- Other Services	1,62,922	1,27,360
- Reimbursement of expenses	9,112	23,203
	<u>6,77,094</u>	<u>6,89,891</u>
Advertisement Expenses	21,07,860	52,77,687
Miscellaneous Expenses	1,54,80,647	1,20,52,594
	<u>6,95,67,180</u>	<u>6,83,94,294</u>

Note No: 28 The Company has a long term investment of ₹ 1500.00 Lacs in Equity Shares of Modern India Property Developers Limited (MIPDL), a Wholly Owned Subsidiary of the Company. As per Audited Account of MIPDL, there is Accumulated loss of ₹ 648.94 Lacs (Previous Year ₹ 696.69 Lacs) as at March 31, 2013. During the year MIPDL has made Profit after tax of ₹ 47.75 Lacs. However in view of the Long Term and strategic nature of investment, plans for new business initiatives and other ensuing business activity, the management is of the opinion that diminution in value of investment is temporary in nature and hence no provision is considered necessary in respect of the same.

Note No: 29 The Company has filed a claim on 07.05.2010 in respect of monthly outgoing charges on unsold flats paid to Belvedere Court Condominium (An Association of Residential Apartment owners) wherein it owns flats. In view of the uncertainties involved for the settlement of claim, the same will be considered as income only on settlement of pending issues.

Note No: 30 Exceptional item - represents payment of demand of ₹. 5,20,42,100/- made during the year by Municipal Corporation of Greater Mumbai (MCGM) towards regularization charges for change of user etc. after reducing from it ₹. 3,57,52,677/- in respect of provision made for property tax in the previous year. This reduction has arisen as a result of revised method of charging property tax on the basis of Capital Value Method.

Note No: 31 Dividend consists of dividend on (i) Current Investments ₹ 1,15,811/- and (ii) Non Current Investments ₹ 7,57,823/-.

Note No: 32 Managing Director's Remuneration:	2012-13	2011-12
	₹	₹
(i) Salary	47,00,000	21,00,000
(ii) Contribution to Provident Fund	5,64,000	2,52,000
(iii) Commission	-	-
(iv) Perquisites	17,59,405	19,15,232
	<u>70,23,405</u>	<u>42,67,232</u>

During the year an application in Form No. 25A has been made to the Central Government for approval of reappointment and payment of minimum remuneration to Managing Director w.e.f. 1st August, 2012 not exceeding ₹ 127.20 Lacs per annum (including Retirement benefits) duly approved by the Shareholders of the Company in the Annual General meeting held on 8th August, 2012. Pending approval of the Central Government, provision has been made in respect of additional amount of remuneration which will become payable pursuant to approval of Central Government and is in excess of of limits prescribed in Schedule XIII of the Companies Act, 1956 by ₹.17.13 Lacs.

Note No: 33 Defined Benefit Plan :

As per Actuarial Valuation as on March 31, 2013 and recognized in the Financial Statements in respect of Employee Benefit Schemes:

	31st March, 2013		31st March, 2012	
	(₹)		(₹)	
	Gratuity Non-Funded	Leave Encashment Non-Funded	Gratuity Non-Funded	Leave Encashment Non-Funded
I. Components of Employer Expenses				
(a) Current Service Cost	4,54,120	5,93,410	3,88,226	5,18,749
(b) Interest Cost	1,81,482	2,18,110	1,68,131	90,796
(c) Employee Contributions	-	-	-	-
(d) Expected Return on Plan Assets	-	-	-	-
(e) Past Service Cost / (Adjustments)	-	-	-	-
(f) Actuarial (Gain) / Loss	(25,656)	(16,05,264)	(1,17,634)	18,93,564
(g) Total Expense recognized in the Profit & Loss Account	6,09,946	(7,93,744)	4,38,723	25,03,109
II. Net Liability recognized in the Balance Sheet				
(a) Present Value of Defined Benefit Obligation as at the beginning of the year	23,90,000	31,00,000	22,52,000	16,73,000
(b) Fair Value of Plan Assets as at the close of the year	-	-	-	-
(c) Net Liability as at the close of the year	27,57,000	15,59,000	23,90,000	31,00,000
III. Change in Defined Benefit Obligation (DBO) during the Year ended				
(a) Present Value of Defined Benefit Obligation at the beginning of the year	23,90,000	31,00,000	22,52,000	16,73,000
(b) Current Service Cost	4,54,120	5,93,410	3,88,226	5,18,749
(c) Interest Cost	1,81,482	2,18,110	1,68,131	90,796
(d) Curtailment Cost / (Credit)	-	-	-	-
(e) Actuarial (Gain) / Loss	(25,656)	(16,05,264)	(1,17,634)	18,93,564
(f) Benefits Paid	(2,42,946)	(7,47,256)	(3,00,723)	(10,76,109)
(g) Present Value of Defined Benefit Obligation at the year end	27,57,000	15,59,000	23,90,000	31,00,000
IV. Change in the Fair Value of Plan Assets				
(a) Plan Assets at the beginning of the year	-	-	-	-
(b) Settlements	-	-	-	-
(c) Expected Return on Plan Assets	-	-	-	-
(d) Actuarial (Gain) / Loss	-	-	-	-
(e) Actual Company Contributions	2,42,946	7,47,256	3,00,723	10,76,109
(f) Benefits Paid	(2,42,946)	(7,47,256)	(3,00,723)	(10,76,109)
(g) Fair Value of Plan Assets as at the close of the year	-	-	-	-
V. Actuarial Assumptions:				
(a) Discount Rate(per annum)	8%	8%	8%	8%
(b) Expected Rate of Return on Assets (per annum)	8%	8%	8%	8%
(c) Rate of Increase in Compensation Levels (per annum)	6%	6%	6%	6%
(d) Mortality Table (LIC)	1994-96 (Ult)	1994-96 (Ult)	1994-96 (Ult)	1994-96 (Ult)

Other particulars relating to Management Pension, Post Retirement Medical Benefits and Pension Plan are not applicable to the Company.

Note No:34 Segment Information for the Year ended 31st March, 2013.

Primary Segment reporting - Business Segments

Particulars	Amount (₹)				
	Business	Real Estate Centre	Trading	Unallocated /	Total Corporate
A) Segment Revenue:					
External Sales / Income from Operations	4814213	150500	4397830106	79040185	4481835004
	<i>42934458</i>	<i>130000</i>	<i>2879614471</i>	<i>45993129</i>	<i>2968672058</i>
Other Income	-	-	-	71581378	71581378
	-	-	-	<i>67745645</i>	<i>67745645</i>
Total	4814213	150500	4397830106	150621563	4553416382
	<i>42934458</i>	<i>130000</i>	<i>2879614471</i>	<i>113738774</i>	<i>3036417703</i>
B) Segment Results:					
Profit/(Loss) before Depreciation, Taxes & exceptional items	3995354	150500	45518550	45209532	94873936
	<i>39247295</i>	<i>130000</i>	<i>34675452</i>	<i>(2811720)</i>	<i>71241027</i>
Depreciation	310727	43757	-	15266051	15620535
	<i>3077731</i>	<i>63254</i>	-	<i>13481879</i>	<i>16622864</i>
Profit / (Loss) before Taxes and Exceptional items	3684627	106743	45518550	29943481	79253401
	<i>36169564</i>	<i>66746</i>	<i>34675452</i>	<i>(16293599)</i>	<i>54618163</i>
C) Other Information:					
Segment Assets	9239149	75001321	637996986	863709932	1585947388
	<i>47644548</i>	<i>83975341</i>	<i>719062343</i>	<i>760775941</i>	<i>1611458173</i>
Segment Liabilities	-	450000000	392756289	258676780	1101433069
	<i>42500000</i>	<i>350000000</i>	<i>435308439</i>	<i>326678228</i>	<i>1154486667</i>
Capital Expenditure	-	-	-	23535902	23535902
	-	-	-	<i>17103549</i>	<i>17103549</i>
Depreciation	310727	43757	-	15266051	15620535
	<i>3077731</i>	<i>63254</i>	-	<i>13481879</i>	<i>16622864</i>
Non Cash Expenses other than	-	-	-	-	-
Depreciation	-	-	-	-	-

Previous Year's Figures are given in *Italics*

Notes:

- (i) The Company has identified Business Segments as primary segments. The Reportable Business Segments are: a) Business Center - comprising of activities connected with running of Business Centre, b) Trading - Consists of Trading in all Products and Commodities and c) Real Estate - comprising of Property Development and carrying on business or activities in real estate business of all types.
- (ii) Items of Revenue, Income and Expenses, Assets and Liabilities (including Borrowings, Provision for Taxation and Deferred Tax) which are not directly attributable / identifiable / allocable to business segments are shown as Unallocated / Corporate.

(iii) Secondary Segment information - Geographical Segments:
(Secondary segment disclosures are reported on the basis of geographical location of customers).

(*) On conclusion of Joint Venture Agreement w.e.f. 01.10.2012, Business Centre Activity has come to an end.

	Current Year			Previous Year		
	India	Rest of the world	Total	India	Rest of the world	Total
Revenue	4481835004	-	4481835004	2968672058	-	2968672058
Capital Expenditure	23535902	-	23535902	17103549	-	17103549
Carrying Amount of Segment Assets	1585947388	-	1585947388	1611458173	-	1611458173

Note No:35 Value of Imported and Indigenous Stores and Spare parts consumed:

	Current Year		Previous Year	
	Value	Percentage	Value	Percentage
	₹		₹	
Stores and Spare parts				
Indigenous	5,43,006	100%	1,34,167	100%
Imported	-	-	-	-

Note No:36 Information in respect of Flats :

Class of Goods	Unit	Opening		Improvement/ Purchases	Sales/ Transfers	Closing Stock
		Stock				
Unsold Flats :	Nos.	1	-	-	-	1
	Nos.	2	-	(*)	1	1
	₹	1,50,79,000	34,61,974	-	-	1,85,40,974
	₹	2,79,05,926	-	-	1,28,26,926	1,50,79,000
Total Current Year	₹	1,50,79,000	34,61,974	-	-	1,85,40,974
Previous Year	₹	2,79,05,926	-	-	1,28,26,926	1,50,79,000

* (Transferred to Capital Work in Progress)

Note No:37 Information in respect of Goods Traded : (Major items)

Class of Goods	Unit	Opening		Purchases	Sales	Closing Stock
		Stock				
(a) Cloth	Mtrs.	-	3104503	3104503	-	-
	Mtrs.	-	2768130	2768130	-	-
	₹	-	478737888	485888098	-	-
	₹	-	398817854	404797783	-	-
(b) Commodities	Kgs.	6098650	53607510	55272100	4434060	4434060
	Kgs.	3250000	36916812	34068162	6098650	6098650
	₹	287292251	2727843392	2820767422	239448059	239448059
	₹	178242975	1675759289	1595113586	287292252	287292252
(c) Sponge Iron / Sheets / Pipes	M.T.	-	9145.205	9145.205	-	-
	M.T.	-	14666.254	14666.254	-	-
	₹	-	1074755896	1090988527	-	-
	₹	-	860904621	877431834	-	-

Note: Previous Years Figures are given in *Italics*

Note No: 38 Value of imports calculated on C. I. F. basis by the Company during the financial Year in respect of :-

	Current Year	Previous Year
	₹	₹
(i) Trading Goods		
(ii) Capital Goods	29,970	-
	-	-

Note No: 39 Earnings in Foreign Exchange in respect of :-

F. O. B. Value of Exports	35,762	-
Export Commission	-	-

Note No: 40 Expenditure in Foreign Currency by the Company during the Financial Year in respect of :-

Other Matters	27,33,288	8,78,733
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Note No: 41 Earning Per Share:

Earning Per Share has been calculated as under:

(a) Profit / (Loss) After Taxation and Exceptional Items	4,93,59,374	30,72,114
(b) Number of Equity Shares Outstanding (Face Value ₹ 2/-)	3,75,42,750	3,75,42,750
(c) Earning per Share (Face Value of ₹ 2/- per share) - (a) / (b) (Basic and diluted)	1.31	0.08

Note No: 42 Disclosures as required by the Accounting Standard -18 on "Related Party Disclosure" are given below:

 i) Related Parties and Relationships:
A) Where Control Exists: Subsidiaries

- (i) Modern India Property Developers Limited.
- (ii) Modern International (Asia) Ltd.
- (iii) Modern India Free Trade Warehousing Private Limited.

B) Significant Influence :

- (i) Shree Rani Sati Investment & Finance Ltd.
- (ii) F. Pudumjee Investment Co. Ltd.
- (iii) Modern Derivatives & Commodities Pvt. Ltd.
- (iv) Alcyone Trading Co. Pvt. Ltd.
- (v) Camellia Mercantile Pvt. Ltd.
- (vi) Candescent Traders Pvt. Ltd.
- (vii) Ignatius Trading Co. Pvt. Ltd.
- (viii) Sarat Leasing & Finance Ltd.
- (ix) Vedant Mercantile Pvt. Ltd.

C) Key Management Personnel & Relatives :

- (i) Mr. V. K. Jatia - Chairman & Managing Director
- (ii) Mrs. Gauri Jatia - Director
- (iii) Mr. Vedant Jatia - Executive
- (iv) Mr. Mudit Jatia - Executive
- (v) Mr. Sidhant Jatia - Executive

D) Joint Venture : Contractual Arrangement

- Central Bombay Infotec Park
- Co-Venturers - Eclat Developers Private Limited

Note: In respect of above parties, there is no provision for doubtful debts as on March 31, 2013 and no amount has been written off or written back during the year in respect of debts due from / to them.

ii) Related Party Transactions:

Nature of Transactions	Subsidiaries	Significant Influence	Joint Venture	Key Management Personnel	Relatives of Key Management Personnel	Total
	(₹)	(₹)	(₹)	(₹)	(₹)	(₹)
1. (a) Loans given	70650000	107350000				178000000
	<i>58545000</i>	<i>46200000</i>				<i>104745000</i>
(b) Repayment, etc. out of Loans given	90475000	92550000				183025000
	<i>78370000</i>	<i>46200000</i>				<i>124570000</i>
(c) Amount of loans given outstanding at the year end	-	-				-
	<i>19825000</i>	<i>(14800000)</i>				<i>5025000</i>
(d) Loans taken		65300000				65300000
		<i>65300000</i>				<i>65300000</i>
(e) Repayment out of Loans taken		64300000				64300000
		<i>64300000</i>				<i>64300000</i>
(f) Amount of loans taken outstanding at the year end		15800000				15800000
		<i>14800000</i>				<i>14800000</i>
2. (a) Interest on Inter Corporate Loans given	1416662	-				1416662
	<i>3035317</i>	<i>195556</i>				<i>3230873</i>
(b) Amount of interest outstanding at the year end	1416662	-				1416662
	<i>3035317</i>	<i>195556</i>				<i>3230873</i>
(c) Interest on Inter Corporate Loans taken		1009301				1009301
		<i>134399</i>				<i>134399</i>
(d) Amount of interest outstanding at the year end		961219				961219
		-				-
3. Purchase of Fixed Assets	-	-	3891116			3891116
	-	<i>265000</i>	-			<i>265000</i>
4. Sale of Shares		2500000				2500000
		-				-
5. Amount of Investments outstanding at the year end	205389100	-				205389100
	<i>205389100</i>	<i>2500000</i>				<i>207889100</i>
6. Guarantees Given	327247643					327247643
	<i>306612540</i>					<i>306612540</i>
7. (a) Deposits Received / (Repaid)	-		(42500000)			(42500000)
	-		<i>(10000000)</i>			<i>(10000000)</i>
(b) Amount Outstanding at the year end			-			-
			<i>42500000</i>			<i>42500000</i>
8. (a) Share of Profit in the Joint Venture			1394652			1394652
			<i>6735465</i>			<i>6735465</i>
(b) Income from Business Centre			3419561			3419561
			<i>36198993</i>			<i>36198993</i>
(c) Amount Outstanding at the year end			1109032			1109032
			<i>2415737</i>			<i>2415737</i>
9. Managerial Remuneration				7023405		7023405
				<i>4267232</i>		<i>4267232</i>
10. Directors Sitting Fees					30000	30000
					<i>40000</i>	<i>40000</i>
11. Salaries					5299041	5299041
					<i>3218681</i>	<i>3218681</i>

Note: Previous Year's Figures are given in *Italics*

Note No: 43 Financial Reporting of interest in Joint Venture as required by AS - 27 is given below:

A) Details pertaining to Jointly Controlled Entity:

i) Name	Central Bombay Infotec Park,
ii) Address	Modern Centre, Sane Guruji Marg, Mahalaxmi, Mumbai - 400 011.
iii) Country of Incorporation or residence	India
iv) Proportion of ownership of the Company	90%

B) Aggregate amount of Income, Expenses, Assets and Liabilities related to the interest of the Company in aforesaid Jointly Controlled Entities.

	Current Year ₹	Previous Year ₹
i) Income for the year ended 31.03.2012		
a) Service Charges received / Sales	6109410	47284524
b) Other Income	328213	922478
ii) Expenses for the year ended 31.03.2013.		
a) Service Charges paid / Purchases	2700000	30600000
b) Property maintenance charges	141425	2591132
c) Legal and Professional charges	537840	1113480
d) Other Expenses	780035	3087545
e) Depreciation	213170	614381
f) Provision for Taxation	670500	3465000
iii) Assets as at 31.03.2013		
a) Fixed Assets	-	3447950
b) Deposits, Loans & Advances	30018	38563752
c) Other Current Assets	9891591	11110870
iv) Liabilities as at 31.03.2013		
a) Security Deposits	424900	36876047
b) Current Liabilities	8102058	9511061

On conclusion of Joint Venture Agreement w.e.f. 01.10.2012, Business Centre Activity has come to an end.

Note No: 44 Figures of the previous year have been regrouped and rearranged wherever necessary.

As per our report attached
For K. S. Aiyar & Company
 Chartered Accountants
 Firm Reg. No. 100186W

Vijaykumar Modi
 G.M. (Legal) & Company Secretary

Satish Kelkar

Partner
M. No. 38934
 Mumbai, dated 4th May, 2013

N. K. Deora
 Financial Controller

For and on behalf of the Board of Directors
V. K. Jatia
 Chairman & Managing Director

Directors

R. Sethna **A. Didwania**

R. R. Doshi **D. J. Thakkar**

S. D. Israni **Gauri Jatia**

Mumbai, dated 4th May, 2013

STATEMENT REGARDING SUBSIDIARY COMPANIES PURSUANT TO SECTION 212(1)(e) OF THE COMPANIES ACT, 1956.

Name of the Subsidiary Company	Financial Year of the Subsidiary Company Ended On	Extent of Holding Company's Interest	The Net aggregate amount of the Subsidiary Companies Profit/(Loss) so far as it concerns the members of Modern India Limited. (Amount in Rupees)			Material changes, if any, between the end of the financial year of the Subsidiary Company and the Holding Company.
			Not dealt with in the Holding Company's Accounts		For the previous Financial year since they became Subsidiary	
			For the Financial year of the Subsidiary	For the previous Financial year since they became Subsidiary		
Modern India Property Developers Limited	31st March, 2013	100%	4774690	4538863	Nil	N.A.
Modern International (Asia) Limited.#	31st March, 2013	100%	27552	2176737	Nil	N.A.
Modern India Free Trade Warehousing Pvt Limited	31st March, 2013	51%	(47832)	(16050)	Nil	N.A.
Particulars required under Section 212 of the Companies Act, 1956 in respect of Subsidiaries						
			Modern India Property Developers Limited	Modern International (Asia) Limited.#		Modern India Free Trade Warehousing Pvt. Limited
a) Capital		150000000		55389100		500000
b) Reserves		(64894670)		13703612		(2180788)
c) Total Assets		86107698		219144968		44935637
d) Total Liabilities		86107698		219144968		44935637
e) Details of Investments		-		2790223		-
f) Turnover		6668941		697343328		-
g) Profit before Taxation		6374690		27552		(47832)
h) Provision for Taxation		1600000		-		-
i) Profit after Taxation		4774690		27552		(47832)
j) Proposed Dividend		-		-		-

Figures in US Dollars are converted for Assets & Liabilities @ ₹ 54.05 & ₹ 54.64 respectively and at average rate (₹ 54.45) for income & expenses.

For and on behalf of the Board of Directors
V. K. Jatia
 Chairman & Managing Director

Vijaykumar Modi

G.M. (Legal) & Company Secretary

N. K. Deora

Financial Controller

Directors

R. Sethna
R. R. Doshi
S. D. Israni
A. Didwania
D. J. Thakkar
Gauri Jatia

Mumbai, dated 4th May, 2013



MODERN INDIA LTD

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of **Modern India Limited**

We have audited the accompanying Consolidated financial statements of **Modern India Limited** ("the Company"), and its Subsidiaries and Joint Venture ("The Modern Group") which comprise the consolidated Balance Sheet as at March 31, 2013, the Consolidated Statement of Profit and Loss and the Consolidated Cash flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated Cash flow of the Company in accordance with accounting principle generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial Statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and Presentation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Basis for Qualified Opinion

The auditors of Modern International Asia Limited (MIAL), a wholly owned subsidiary of the Company, have reported as under:-

Investment in an associate was accounted for using the cost method and carried at cost at US \$ 51,623 (Rs. 27.90 Lacs) on the statement of financial position as at 31st March 2013. We were unable to obtain sufficient appropriate evidence about the carrying amount of this investment and consequently we were unable to determine whether any adjustments to these amounts were necessary.

Qualified Opinion

In our opinion, *except for the possible effects of the matters described in the Basis for qualified opinion paragraph* and to the best of our information and according to the explanations given to us, the consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India:

- (a) in the case of the consolidated Balance Sheet, of the state of affairs of the Company as at March 31, 2013;
- (b) in the case of the consolidated Statement of Profit and Loss of the profit for the year ended on that date; and
- (c) in the case of the consolidated Cash Flow Statement, of the cash flows for the year ended on that date.

Emphasis of Matter

We invite attention to Note No.31 wherein pending approval from Central Government, remuneration of ₹ 17.13 Lacs payable to Managing Director has been provided for in excess of limits specified under Schedule XIII to the Companies Act, 1956. Our opinion is not qualified in respect of this matter.

Other Matter

We did not audit the financial statements of certain Subsidiaries whose financial statements reflect total assets of ₹ 3290 lacs. Company's share in Revenue of ₹ 7053.17 lacs and Net cash inflows of ₹ 9.14 lacs. These financial statements have been audited by other auditors whose reports(s) have been furnished to us and our opinion, in so far as it relates to the amounts included in respect of the said audited Subsidiaries, is based solely on the Reports of the other auditors.

For K.S.Aiyar & Co.
Chartered Accountants
Firm Regn. No. 100186W
Satish Kelkar
Partner
Membership No. 38934

Place of Signature: Mumbai
Date: May 4, 2013

(CONSOLIDATED)



BALANCE SHEET AS AT 31ST MARCH, 2013

	Note	As at March 31, 2013	(Amount in ₹) As at March 31st, 2012
I. EQUITY AND LIABILITIES			
(1) Shareholders' Funds:			
(a) Share Capital	2	7,50,85,930	7,50,85,930
(b) Reserves and Surplus	3	34,91,87,114	31,16,15,909
		42,42,73,044	38,67,01,839
(2) Non-current Liabilities:			
(a) Long-term Borrowings	4	12,72,28,365	15,26,93,899
(b) Deferred Tax Liabilities (Net)	5	1,15,66,119	44,72,947
(c) Other Long Term Liabilities	6	45,04,24,900	38,69,22,047
(d) Long-term Provisions	8	42,37,000	53,89,000
		59,34,56,384	54,94,77,893
(3) Current Liabilities:			
(a) Short-term Borrowings	9	40,81,22,281	51,44,46,665
(b) Trade Payables		14,62,00,853	14,56,33,217
(c) Other Current Liabilities	10	10,79,10,787	11,34,56,746
(d) Short-term Provisions	11	2,72,87,527	2,12,69,478
		68,95,21,448	79,48,06,106
TOTAL		1,70,72,50,876	1,73,09,85,838
II. ASSETS:			
(1) Non-current Assets			
(a) Fixed Assets	12		
(i) Tangible Assets		21,75,07,354	19,07,09,991
(ii) Intangible Assets		2,97,697	6,21,875
(iii) Capital work-in-progress		3,56,07,640	4,82,36,157
(iv) Pre-operative expenses pending allocation		-	81,79,061
		25,34,12,691	24,77,47,084
(b) Non-current Investments	13	5,03,74,209	4,69,07,374
(c) Long term Loans and Advances	14	8,23,64,242	12,27,80,242
(2) Current Assets:			
(a) Current Investments	15	49,23,846	-
(b) Inventories	16	28,27,90,994	32,76,98,472
(c) Trade Receivables	17	56,25,39,545	57,34,61,055
(d) Cash and Bank Balances	18	8,76,72,872	5,26,53,378
(e) Short term Loans and Advances	19	27,00,56,192	23,70,01,216
(f) Other Current Assets	20	11,31,16,285	12,27,37,017
		1,32,10,99,734	1,31,35,51,138
TOTAL		1,70,72,50,876	1,73,09,85,838
Significant Accounting Policies & Notes on Accounts	1 to 36		

As per our report attached
For K. S. Aiyar & Company
Chartered Accountants
Firm Reg. No. 100186W

Satish Kelkar
Partner
M. No. 38934
Mumbai, dated 4th May, 2013

Vijaykumar Modi
G.M. (Legal) & Company Secretary

N. K. Deora
Financial Controller

For and on behalf of the Board of Directors
V. K. Jatia
Chairman & Managing Director

Directors
R. Sethna
R. R. Doshi
S. D. Israni
A. Didwania
D. J. Thakkar
Gauri Jatia

Mumbai, dated 4th May, 2013

(CONSOLIDATED)



Statement of Profit and Loss for the Year ended 31st March, 2013

		(Amount in ₹)	
	Note	2012-2013	2011-2012
I. Revenue from Operations	22	5,18,11,93,090	3,55,63,89,463
II. Other Income	23	7,91,75,042	7,26,57,750
III. Total (I + II)		<u>5,26,03,68,132</u>	<u>3,62,90,47,213</u>
IV. Expenses:			
(a) Purchase of Traded Goods		4,95,62,67,447	3,49,20,85,556
(b) Changes in inventories of Stock -in-trade	24	4,78,67,738	(10,57,74,751)
(c) Employee benefits expenses	25	3,39,29,889	3,21,32,119
(d) Finance Cost	26	3,36,30,908	4,32,83,055
(e) Depreciation and Amortization expenses		1,58,33,706	1,73,12,096
(f) Other expenses	27	8,72,45,023	8,64,00,540
Total		<u>5,17,47,74,711</u>	<u>3,56,54,38,615</u>
V. Profit before exceptional and extraordinary items and tax		8,55,93,421	6,36,08,598
VI. Exceptional item - Net	29	1,62,89,423	5,86,42,802
VII. Profit / (Loss) before extraordinary items and tax		6,93,03,998	49,65,796
VIII. Extraordinary Items		-	-
IX. Profit / (Loss) before Prior period Expenses and Tax		6,93,03,998	49,65,796
X. Prior Period Expenses - Interest		15,01,433	-
XI. Profit / (Loss) before Tax		6,78,02,565	49,65,796
XII. Tax expense:			
(1) Current Tax (MAT)		1,42,20,500	50,63,340
Less: MAT Credit Entitlement		(69,40,000)	-
Net Current Tax		72,80,500	50,63,340
(2) Deferred Tax		70,93,171	(70,96,753)
XIII. Profit for the period after Tax		5,34,28,894	69,99,209
XVI. Earnings per Equity Share	33		
(1) Basic		1.42	0.19
(2) Diluted		1.42	0.19
Significant Accounting Policies & Notes on Accounts	1 to 36		

As per our report attached
For K. S. Aiyar & Company
Chartered Accountants
Firm Reg. No. 100186W

Satish Kelkar
Partner
M. No. 38934
Mumbai, dated 4th May, 2013

Vijaykumar Modi
G.M. (Legal) & Company Secretary

N. K. Deora
Financial Controller

For and on behalf of the Board of Directors
V. K. Jatia
Chairman & Managing Director

Directors

R. Sethna	A. Didwania
R. R. Doshi	D. J. Thakkar
S. D. Israni	Gauri Jatia

Mumbai, dated 4th May, 2013

(CONSOLIDATED)



CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2013.

			(₹ in Lacs)
	2012-2013	2011-2012	
A. Cash Flow From Operating Activities:			
Net Profit Before Tax and Extraordinary Items	693.04		49.66
Add / (Less) :			
Depreciation	158.34		173.12
Income from Financing Activity	(28.69)		(15.70)
Interest Income	(619.74)		(598.12)
Loss/(Profit) on sale of Fixed Assets	9.60		10.18
Interest Expenses	336.31		432.83
Provision Written Back	(4.73)	(148.92)	-17.86
Operating Profit/(Loss) before working Capital Changes	544.12		34.11
Inventories	449.07		(900.75)
Trade Receivables	109.22		(1,870.72)
Other Receivables	101.16		(583.41)
Current Liabilities	26.84	686.29	0.72
Cash Generated from Operations	1,230.41		(3,320.05)
Direct Taxes Paid (Net)	(14.92)		(175.14)
Net Cash Used in Operating Activities	1,215.49		(3,495.19)
B. Cash Flow from Investing Activities:			
Purchase of Fixed Assets	(268.77)		(406.56)
Purchase of Investments	(83.91)		(204.91)
Sale of Fixed Assets	44.18		30.35
Sale of Investment	19.95		19.79
Income from Financing Activity	8.74		15.70
Interest Received	619.74	339.93	598.12
Net Cash Used in Investing Activities	339.93		52.49
C. Cash Flow from Financing Activities:			
Proceeds from Long Term Borrowings	368.85		(371.71)
Repayment of Short Term Borrowings	(1,063.24)		2,954.71
Interest Paid	(336.31)		(432.83)
Dividend Paid	(174.53)	(1,205.23)	(175.11)
Net Cash from Financing Activities	(1,205.23)		1,975.06
Net Increase/(Decrease) in Cash and Cash Equivalents (A+B+C)	350.20		(1,467.64)
Opening Balance of Cash and Cash Equivalents	526.53		1994.17
Closing Balance of Cash and Cash Equivalents	876.73		526.53
Net Increase/(Decrease) as disclosed above	350.20		(1,467.64)

As per our report attached
For **K. S. Aiyar & Company**
Chartered Accountants
Firm Reg. No. 100186W

Satish Kelkar
Partner
M. No. 38934
Mumbai, dated 4th May, 2013

Vijaykumar Modi
G.M. (Legal) & Company Secretary

N. K. Deora
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For and on behalf of the Board of Directors
V. K. Jatia
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R. Sethna
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Gauri Jatia

Mumbai, dated 4th May, 2013

Note No.1 **SIGNIFICANT ACCOUNTING POLICIES**

A. BASIS OF PREPARATION OF FINANCIAL STATEMENTS :

- (i) The financial statements have been prepared in accordance with generally accepted accounting principles in India (Indian GAPP). These financial statements have been prepared to comply in all material aspects with the accounting standards notified under the Companies (Accounting Standards) Rules, 2006 and the relevant provisions of the Companies Act, 1956. The Financial Statements are prepared under the Historical Cost Convention on accrual basis.

B. PRINCIPLES OF CONSOLIDATION

The consolidated financial statements relate to Modern India Limited ('The Company'), its wholly / partly owned subsidiaries and its interest in joint Venture as on 31.03.2013 which are as under:

Name of the Entity	Financial Year of the Entity Ended On	Extent of Holding	Country of Incorporation
a) Modern India Property Developers Limited Wholly Owned Subsidiary	31st March, 2013	100%	India
b) Modern International (Asia) Limited Wholly Owned Subsidiary	31st March, 2013	100%	Hong Kong
c) Central Bombay Infotec Park Joint Venture	31st March, 2013	90%	India
d) Modern India Free Trade Warehousing Pvt. Ltd. Partly Owned Subsidiary	31st March, 2013	51%	India

- (i) The financial statements of the Company and its Subsidiary Companies have been combined on a line-by-line basis by adding together the book values of like items of assets, liabilities, incomes and expenses after fully eliminating intra - group balances and intra - group transactions in accordance with Accounting Standard (AS - 21) - " Consolidated Financial Statements".
- (ii) Interest in Joint Venture have been accounted by using the proportionate consolidation method as per Accounting Standard (AS - 27) - "Financial reporting of Interest in Joint Venture".
- (iii) The consolidated financial statements have been prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented to the extent possible, in the same manner as the Company's separate financial statements.
- (iv) Financial statements of Foreign Subsidiary has been converted in Indian Rupees at the following Exchange Rate.
- (a) Revenues and Expenses: At the average exchange rate during the year.
- (b) Current Assets and Current Liabilities: At Exchange Rate prevailing at the end of the year.
- (c) Fixed Assets : At Exchange rate prevailing at the end of the year.

C. INVENTORIES are valued as under:

- (i) Trading Goods : At lower of Cost and Net Realizable Value
- (ii) Stores / Consumables : At lower of Cost and Net Realizable Value

Cost is arrived at on FIFO basis and includes costs incurred in bringing the inventories to their present location and condition.

(iii) Real Estate Business:

- (a) Land : At lower of Book and Net Realizable Value
- (b) Unsold Flat : At lower of Cost and Net Realizable Value

D. REVENUE RECOGNITION:

- (i) Revenue from sale of goods is recognized when all the significant risks and rewards of ownership of the goods have been passed to the buyer, usually on delivery of the goods. Sales taxes and value added taxes (VAT) are excluded from revenue. Sales of flats are accounted at contracted rate on handing over the possession. Revenue from Commodities Trading is recognized at the time of contracted date of delivery.
- (ii) Income from Vocational Training Fees is recognized on the basis of completed period in respect of each course / semester as compared with the total duration of the same. Revenue from Exhibitions are recognized on completion of the respective events.
- (iii) Income other than Sales is recognized, wherever applicable, in terms of agreements with concerned parties over the period of the contract as and when services are rendered. Service tax is excluded from revenue.
- (iv) Interest income is recognized on time proportion basis taking into account the amount outstanding and rate applicable. Dividend income is recognized when the Company's right to receive dividend is established.

E. SEGMENT REPORTING:

Revenue and expenses have been identified to segments on the basis of their relationship to the operating activities of the segment. Revenue and expenses, which relate to the enterprise as a whole and are not allocable to segments on a reasonable basis have been included under "Unallocable / Corporate".

F. PROVISIONS & CONTINGENCIES:

A Provision is recognized when there is a present obligation as a result of a past event if it is probable that an outflow of resources will be required to settle the obligation and in respect of which reliable estimates can be made. Provisions are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the year end date. Contingent Liabilities are not recognized but are disclosed in the financial statements. Contingent Assets are neither recognized nor disclosed in the financial statements.

G. IMPAIRMENT OF ASSETS:

An asset is treated as impaired when the carrying cost of asset exceeds its recoverable amount. An impairment loss is charged to the Statement of Profit and Loss in the year in which an asset is identified as impaired. The impairment loss recognized in prior accounting period is reversed if there has been a change in the estimate of recoverable amount.

H. OTHER SIGNIFICANT ACCOUNTING POLICIES:

These are set out in the notes to accounts under "Significant Accounting Policies" of the respective financial statements of the Company and the subsidiaries.

Note No: 2 Share Capital	As at March 31, 2013		As at March 31, 2012	
	Number	₹	Number	₹
Authorized:				
Preference Shares of ₹ 100/- each	10,000	10,00,000	10,000	10,00,000
Equity Shares of ₹ 2/- each	12,45,00,000	24,90,00,000	12,45,00,000	24,90,00,000
		<u>25,00,00,000</u>		<u>25,00,00,000</u>
Issued:				
Equity Shares of ₹ 2/- each	3,75,47,000	7,50,94,000	3,75,47,000	7,50,94,000
		<u>7,50,94,000</u>		<u>7,50,94,000</u>
Subscribed & Fully Paid up:				
Equity Shares of ₹ 2/- each	3,75,42,750	7,50,85,500	3,75,42,750	7,50,85,500
Forfeited Equity Shares - Amount originally Paid up		430		430
TOTAL		<u>7,50,85,930</u>		<u>7,50,85,930</u>

(a) **Reconciliation of the shares outstanding at the beginning and at the end of the reporting period.**

Equity Shares

Shares outstanding at the beginning of the year	3,75,42,750	7,50,85,500	3,75,42,750	7,50,85,500
Shares Issued during the year	-	-	-	-
Shares bought back during the year	-	-	-	-
Shares outstanding at the end of the year	3,75,42,750	7,50,85,500	3,75,42,750	7,50,85,500

(b) **Terms / Rights attached to Equity Shares:**

The Company has only one class of Equity Shares having a par value of ₹ 2/- per Share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividends in Indian Rupees and every equity share is entitled to the same rate of dividend.

(c) **Details of shareholders holding more than 5% shares in the Company**

	No. of Equity Shares held	No. of Equity Shares held
Shree Ranisati Investment & Finance Ltd	88,25,221	88,25,221
Sarat Leasing & Finance Ltd	77,07,500	77,07,500
F Pudumjee Investment Company Ltd	57,72,008	57,72,008

Note No: 3 Reserves and Surplus	As at March 31, 2013		As at March 31, 2012	
	₹	₹	₹	₹
(i) Capital Reserve				
As per last Balance Sheet	2,31,43,666		2,38,76,566	
Less: Transferred to Capital Work in Progress	-		7,32,900	
		<u>2,31,43,666</u>		<u>2,31,43,666</u>
(ii) Capital Redemption Reserve				
		8,91,050		8,91,050
(iii) Other Reserve - General Reserve				
As per last Balance Sheet	2,27,59,000		2,25,18,000	
Add: Transfer from Statement of Profit and Loss	49,36,000		2,41,000	
Closing Balance		<u>2,76,95,000</u>		<u>2,27,59,000</u>
(iv) Foreign Currency Translation Reserve				
As per last Balance Sheet	94,09,775		8,58,109	
Add: Amounts arising during the year	59,82,310		85,51,666	
		<u>1,53,92,085</u>		<u>94,09,775</u>

(CONSOLIDATED)



	As at March 31, 2013	As at March 31, 2012
	₹	₹
(iv) Surplus:		
As per last Balance Sheet	25,62,06,186	26,69,01,226
Add: Net Profit for the Current Year	5,34,28,894	69,99,209
	30,96,35,080	27,39,00,435
Less: Proposed Dividend on Equity Shares @ 0.50 per share.	1,87,71,375	1,50,17,100
Less: Tax on Distributed Profits	30,45,186	24,36,149
Less: Transfer to General Reserve	49,36,000	2,41,000
Closing Balance	28,28,82,519	25,62,06,186
Less: Loss Attributable to Minority Interest	-8,17,206	-7,93,768
Total of Reserves and Surplus	34,91,87,114	31,16,15,909

Note No: 4 Long Term Borrowings

Secured:

(a) Term Loan from Bank	12,66,57,022	14,99,66,057
(b) Car Finance Loans	5,71,343	27,27,842
Total of Long Term Borrowings	12,72,28,365	15,26,93,899

(a) Term Loan from the Bank was taken during the financial year 2009-10 and is repayable in 120 equal monthly installments along with interest from the date of loan. The loan is secured by assignment of rental receivable and also by mortgage of (i) part of Land and Building at Mahalaxmi, Mumbai and (ii) Residential Flats. As at the Balance Sheet date 62 installments of ₹ 33,36,621/- each (inclusive of interest) are outstanding. The loan carries interest in the range of 12% to 13%. Last installment is due on April - 2018.

(b) Car finance Loans from Banks were taken during the financial years 2010-11 and 2011-12 and are repayable in 36 monthly installments with interest. These loans are secured by hypothecation of specific Vehicles acquired.

Note No: 5 Deferred Tax Liabilities (Net):

Deferred Tax Liabilities

(i) Difference between Net Block of Fixed Assets	1,26,60,004	1,26,08,058
(ii) Capital Gains Tax Liability	3,34,200	3,34,200
Gross Deferred Tax Liability	1,29,94,204	1,29,42,258

Deferred Tax Assets

(i) Expenditure under section 43B of the Income Tax Act, 1961	5,05,818	10,05,795
(ii) Long Term Capital Loss	-	14,157
(iii) Unabsorbed Depreciation & Business Loss	-	66,18,408
(iv) Others	9,22,267	8,30,951
Gross Deferred Tax Assets	14,28,085	84,69,311
Net Deferred Tax Liabilities	1,15,66,119	44,72,947

Note No: 6 Other Non Current liabilities

Unsecured:

Security Deposits	(*) 45,04,24,900	38,69,22,047
	45,04,24,900	38,69,22,047

(*) Repayment of Deposits of ₹ 4500.00 Lacs is dependent on development of some of the properties in Mumbai. The deposits do not carry any interest.

As at March 31, 2013

As at March 31, 2012

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₹

Note No: 7 Details of dues to Micro and Small Enterprises as required under section 22 of MSMED Act, 2006.

There is no Micro and Small Enterprise to whom the Company owes dues, which are outstanding for more than 30 days as at the Balance Sheet date. Further, the Company has not paid any interest to any Micro and Small Enterprise during the accounting year, nor is any interest payable to any Micro and Small Enterprise as at the Balance Sheet Date. This information as required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006 has been determined to the extent such parties have been identified on the basis of information available with the Company and relied by the Auditors.

Note No: 8 Long Term Provisions**Provision for Employee Benefits: Note No. 33**

Gratuity (Unfunded)	27,06,000	23,46,000
Leave Encashment (Unfunded)	15,31,000	30,43,000
	<u>42,37,000</u>	<u>53,89,000</u>

Note No: 9 Short Term Borrowings**Secured: #**

(a) Loan Repayable on Demand		
From Bank	12,00,55,445	12,00,90,182
(b) Trade Payables - Acceptances	24,65,55,436	29,55,13,678
	<u>36,66,10,881</u>	<u>41,56,03,860</u>

Unsecured:

(a) Loan Repayable on Demand		
From Bank	-	2,13,69,005
(b) Loans and Advances from Related Party - repayable on demand	4,15,11,400	7,74,73,800
	<u>4,15,11,400</u>	<u>9,88,42,805</u>
Total Short Term Borrowings	<u>40,81,22,281</u>	<u>51,44,46,665</u>

Secured by hypothecation of Stocks of Trading Goods and book Debts and also secured by mortgage of part of Land & Building at Mahalaxmi, Mumbai.

Note No: 10 Other Current Liabilities**Secured:**

(a) Current Maturities of Term Loan	2,17,92,618	1,78,38,347
(b) Current Maturities of Car Finance Loans	21,56,498	37,98,039

Unsecured:

(a) Current Maturities of Long Term Debt	1,97,56,944	2,49,63,644
(b) Deposits	1,84,65,601	-
(c) Income Received in Advance	65,06,336	99,10,061
(d) Unpaid Dividends #	21,20,853	12,12,220
(e) Other payables - Statutory Dues	46,09,215	4,26,63,993
(f) Other Liabilities	3,25,02,722	1,30,70,442
	<u>10,79,10,787</u>	<u>11,34,56,746</u>

There is no amount due and outstanding as at Balance Sheet date to be credited to Investors Education and Protection Fund.

As at March 31, 2013

As at March 31, 2012

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₹

Note No: 11 Short Term Provisions

(a) Provision for Employee Benefits	35,31,650	19,91,975
(b) Proposed Dividend	1,87,71,375	1,50,17,100
(c) Tax on Distributed Profits	30,45,186	24,36,149
(d) Provision for Wealth Tax	19,39,316	18,24,254
	<u>2,72,87,527</u>	<u>2,12,69,478</u>

Note No: 12 FIXED ASSETS

DESCRIPTION	GROSS BLOCK - AT COST				DEPRECIATION / AMORTIZATION				NET BLOCK	
	As At 01.04.2012	Additions	Disposals	As At 31.03.13	As At 01.04.2012	For the Year	On disposals	Upto 31.03.13	As At 31.03.13	As At 31.03.2012
	(₹)	(₹)	(₹)	(₹)	(₹)	(₹)	(₹)	(₹)	(₹)	(₹)
A Tangible Assets										
Land	2,30,114	2,41,48,875	-	2,43,78,989	-	-	-	-	2,43,78,989	2,30,114
Buildings	20,12,89,474	1,61,48,995	8,61,673	21,65,76,796	6,97,26,199	46,17,269	5,26,964	7,38,16,504	14,27,60,292	13,15,63,275
Plant and Equipments#	8,46,28,877	21,14,395	69,35,405	7,98,07,867	4,91,58,283	54,40,082	44,55,606	5,01,42,759	2,96,65,108	3,54,70,594
Furniture and Fixtures	3,03,90,102	34,56,866	51,12,134	2,87,34,834	2,30,42,301	13,21,922	30,41,703	2,13,22,520	74,12,314	73,47,801
Vehicles	2,38,61,065	18,15,646	11,33,635	2,45,43,076	77,62,858	41,49,001	6,59,434	1,12,52,425	1,32,90,651	1,60,98,207
TOTAL (A)	34,03,99,632	4,76,84,777	1,40,42,847	37,40,41,562	14,96,89,641	1,55,28,274	86,83,707	15,65,34,208	21,75,07,354	19,07,09,991
# Includes Office Equipments										
B Intangible Assets:										
Brands / Trade Marks	7,81,867	-	-	7,81,867	7,81,867	-	-	7,81,867	-	-
Computer Software	11,70,801	-	14,99,666	10,20,835	5,48,926	3,05,432	13,12,200	7,23,138	2,97,697	6,21,875
TOTAL (B)	19,52,668	-	14,99,666	18,02,702	13,30,793	3,05,432	1,31,220	15,05,005	2,97,697	6,21,875
TOTAL (A + B)	34,23,52,300	4,76,84,777	1,41,92,813	37,58,44,264	15,10,20,434	1,58,33,706	88,14,927	15,80,39,213	21,78,05,051	19,13,31,866
Previous Year	33,98,37,264	1,71,39,301	1,46,24,265	34,23,52,300	14,42,79,443	1,73,12,096	1,05,71,105	15,10,20,434	19,13,31,866	
Capital Work In progress									3,56,07,640	4,82,36,157

Note No: 13 Non - Current Investments

	Face Value (₹)	No. of Shares	₹	No. of Shares	₹
A. Trade Investments: In Fully Paid Equity Instruments At Cost					
Guanghou Modern Trading Co. Limited			27,90,223		25,94,572
Total of Trade Investments - Unquoted			<u>27,90,223</u>		<u>25,94,572</u>
B. Other Investments: At Cost					
(i) In Fully paid up Equity Instruments of Companies - Unquoted					
Equity Shares of Modern Derivatives & Commodities Private Ltd .	10	-		250000	25,00,000
Equity Shares of The Shamrao Vithal Co-op Bank Ltd.	25	20000	5,00,000	20000	5,00,000
			<u>5,00,000</u>		<u>30,00,000</u>

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	As at March 31, 2013		As at March 31, 2012	
	Number	₹	Number	₹
(ii) In Fully paid up Debentures - Unquoted #	Face	No. of		
	Value(₹)	Debentures		
Peninsula Land Limited	10,00,000	5	37,50,000	-
			<u>37,50,000</u>	<u>-</u>
# Represents amount Redeemable after 12 Months				
Total of Other Investments - Unquoted			<u>42,50,000</u>	<u>30,00,000</u>
(ii) In Fully paid up Equity Instruments				
of Companies - Quoted			4,03,33,986	4,03,12,802
Total			<u>4,03,33,986</u>	<u>4,03,12,800</u>

	Face	No. of Shares	₹	No. of Shares	₹
	Value (₹)				
C. In Units of Mutual Funds - Unquoted At Cost					
Milestone Real Estate Fund.	1,000	1000	10,00,000	1000	10,00,000
India REIT Mumbai Redevelopment Fund	1,00,000	20	20,00,000	-	-
Total			<u>30,00,000</u>		<u>10,00,000</u>
Total Non Current Investments (A+B+C)			<u>5,03,74,209</u>		<u>4,69,07,372</u>
Aggregate amount of quoted investments			4,03,33,986		4,03,12,800
Market Value of Quoted Investments			3,72,78,384		4,01,50,259
Aggregate amount of unquoted investments A+B (i)+C			1,00,40,223		65,94,572
Aggregate Provision for Diminution in value of Non - Current Investment			2,55,000		2,55,000

Note No: 14 Long Term Loans and Advances

Others:

(a) Deposits - Unsecured considered good	23,64,242	23,82,242
(b) Other Loans and Advances		
Inter Corporate Loan - Secured considered good (Secured by mortgage in favour of the Company of Residential Flats.)	8,00,00,000	12,03,98,000
	<u>8,23,64,242</u>	<u>12,27,80,242</u>

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	As at March 31, 2013		As at March 31, 2012
	₹		₹
Note No: 15 Current Investments #	As at March 31, 2013		As at March 31, 2012.
	Face Value	No. of	
	(₹)	Debentures	
(i) In fully Paid up Debentures - Quoted			
Lodha Developers Limited	1000000	6	
		36,73,846	-
		36,73,846	-
(ii) In fully Paid up Debentures - Unquoted			
Peninsula Land Limited	1000000	5	
		12,50,000	-
		12,50,000	-
(# To the extent Redeemable within 12 Months)			
Total Current Investments		49,23,846	-
Aggregate amount of quoted investments		36,73,846	-
Market Value of Quoted Investments		42,72,000	-
Aggregate amount of unquoted investments		12,50,000	-
Note No: 16 Inventories			
(a) Stock in trade (Trading)		24,36,63,413	29,15,31,151
(At the lower of Cost and Net Realizable Value)			
(b) Real Estate Business;			
(i) Unsold Flat		1,85,40,974	1,50,79,000
(At the lower of Cost and Net Realizable Value)			
(ii) Land		2,02,68,697	2,02,68,697
(At the lower of Book and Net Realizable Value)			
(c) Stores		3,17,910	8,19,624
(At the lower of Cost and Net Realizable Value)			
		28,27,90,994	32,76,98,472
Note No: 17 Trade Receivables - Unsecured considered Good:			
(i) Over six months		72,023	3,43,635
(ii) Others		56,24,67,522	57,31,17,420
		56,25,39,545	57,34,61,055
Note No: 18 Cash and Bank Balances			
(i) Cash and Cash Equivalents:			
(a) Balances with Banks		86,12,688	32,29,507
(b) Cash on Hand		14,97,055	19,87,485
(c) Units of Liquid Mutual Funds		2,03,75,663	7,58,970
(ii) Earmarked balances with Banks		5,71,87,466	4,66,77,416
		8,76,72,872	5,26,53,378

	As at March 31, 2013	As at March 31, 2012
	₹	₹
Note No: 19 Short Term Loans and advances		
(a) Loans and advances to Related parties:		
Unsecured considered good	1,93,90,000	3,13,71,500
(b) Inter Corporate Loans:		
Secured considered good (Secured against Marketable Equity Shares and by mortgage in favour of the Company of Residential Flats and Land)	9,37,26,192	10,30,57,162
Unsecured considered good	15,00,00,000	10,25,72,554
(c) MAT Credit Entitlement	69,40,000	-
	<u>27,00,56,192</u>	<u>23,70,01,216</u>
Note No: 20 Other Current Assets		
(a) Advances Recoverable in Cash or in kind or for value to be received	9,52,44,140	9,89,64,078
(b) Income Tax payments including Tax Deducted at Source (Net of Provision for Tax of ₹ 7,35,55,796/-)	1,64,35,000	2,37,72,939
(c) Other Receivables	14,37,145	-
	<u>11,31,16,285</u>	<u>12,27,37,017</u>
Note No: 21 Contingent Liabilities:		
(a) Corporate Guarantee given by the Company to Indian Overseas Bank, Hong Kong on behalf of Wholly Owned Subsidiary M/s. Modern International (Asia) Limited.	32,72,47,643	30,66,12,540
(b) Counter Guarantee given by the Company to the Chairman & Managing Director in respect of Key Man Insurance Policy assigned by him in favour of the Bank for Credit Facility taken by the Company.	-	5,40,00,000
	<u>32,72,47,643</u>	<u>36,06,12,540</u>
	2012-2013	2011-2012
	₹	₹
Note No: 22 Revenue from Operations		
(a) Sale of Products	5,09,52,37,316	3,45,74,63,148
(b) Sale of Services:		
(i) Income from Business Centre	7,19,561	55,98,993
(ii) Vocational Training Fees including income from Exhibitions	70,08,043	96,57,664
(iii) Income from Real Estate Business	1,50,500	1,30,000
(c) Other Operating Revenues		
Rent Income	7,19,68,260	3,62,55,134
Service Charges Received	61,09,410	4,72,84,524
	<u>5,18,11,93,090</u>	<u>3,55,63,89,463</u>

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	2012-2013	2011-2012
	₹	₹
Note No: 23 Other Income		
(a) Interest Income	6,19,74,163	5,98,11,697
(b) Dividend Income (Note No. 30)	8,73,634	5,95,942
(c) Net gain on sale of investments:		
Profit on sale of Current Investments	26,48,308	19,78,518
Profit on sale of Property	14,76,000	10,00,000
(d) Other Non-operating Income:		
(i) Provision no longer required Written Back	18,68,969	38,792
(ii) Excess Provision for Taxation of earlier year Written Back (Net)	4,72,648	17,85,613
(iii) Miscellaneous income	98,61,320	74,47,188
	<u>7,91,75,042</u>	<u>7,26,57,750</u>
Note No: 24 (Increase) / Decrease in Inventories		
<u>Inventories at the end of the Year</u>		
(a) Traded Goods	24,36,63,413	29,15,31,151
(b) Land	2,02,68,697	2,02,68,697
(c) Unsold Flat	1,85,40,974	1,50,79,000
	<u>28,24,73,084</u>	<u>32,68,78,848</u>
<u>Inventories at the beginning of the Year</u>		
(a) Traded Goods	29,15,31,151	18,85,46,895
Less: Transferred to Fixed Assets	-	27,90,495
	29,15,31,151	18,57,56,400
(b) Land	2,02,68,697	2,02,68,697
(c) Unsold Flat	1,50,79,000	2,79,05,926
Add: Expenses incurred during the year	34,61,974	-
Less: Transferred to Capital Work in Progress	-	1,28,26,926
	<u>1,85,40,974</u>	1,50,79,000
	<u>33,03,40,822</u>	<u>22,11,04,097</u>
(Increase) / Decrease in Inventories	4,78,67,738	(10,57,74,751)
Note No: 25 Employee Benefit Expenses:		
Salaries & Wages	3,02,16,012	2,88,39,832
Contribution to Provident and other funds	20,04,779	15,84,523
Gratuities	6,09,946	4,38,723
Staff Welfare Expenses	10,99,152	12,69,041
	<u>3,39,29,889</u>	<u>3,21,32,119</u>

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	2012-2013	2011-2012
	₹	₹
Note No: 26 Finance Cost:		
Interest Expenses	3,08,37,029	3,82,26,867
Other Borrowing Cost	27,93,879	50,56,188
	<u>3,36,30,908</u>	<u>4,32,83,055</u>
Note No: 27 Other Expenses:		
Stores Consumed	5,43,006	1,34,167
Power & Fuel	19,33,241	26,95,352
Rent	4,52,755	4,42,684
Water Charges	11,92,399	11,19,720
Repairs to:		
Machinery	12,46,505	8,71,459
Buildings	21,34,069	40,51,839
Others	5,76,325	32,80,037
	<u>39,56,899</u>	<u>82,03,335</u>
Insurance	6,00,752	5,74,778
Rates and Taxes, excluding taxes on income	1,80,59,538	1,64,05,557
Travelling & Conveyance	68,56,503	72,71,555
Legal and Professional Charges	1,30,36,632	1,66,46,104
Donation	25,00,000	2,51,000
Directors Sitting Fees	5,02,024	5,10,000
Directors Commission	6,50,000	-
Loss on Sale of Non Current Investments(Net)	6,53,289	10,03,960
Loss on Sale of Fixed Assets	9,59,832	10,17,987
Bad Debts Written Off	55,72,750	20,13,900
Payment to Auditors:		
- Audit Fees	6,99,129	7,07,010
- Tax Audit Fees	55,620	56,180
- Other Services	1,62,922	1,27,360
- Reimbursement of expenses	9,112	23,203
	<u>9,26,783</u>	<u>9,13,753</u>
Advertisement Expenses	21,07,860	52,77,687
Miscellaneous Expenses	2,67,40,760	2,19,19,001
	<u>8,72,45,023</u>	<u>8,64,00,540</u>

Note No: 28 The Company has filed a claim on 07.05.2010 in respect of monthly outgoing charges on unsold flats paid to Belvedere Court Condominium (An Association of Residential Apartment owners) wherein it owns flats. In view of the uncertainties involved for the settlement of claim, the same will be considered as income only on settlement of pending issues.

Note No: 29 Exceptional item - represents payment of demand of ₹. 5,20,42,100/- made during the year by Municipal Corporation of Greater Mumbai (MCGM) towards regularization charges for change of user etc. after reducing from it ₹. 3,57,52,677/- in respect of provision made for property tax in the previous year. This reduction has arisen as a result of revised method of charging property tax on the basis of Capital Value Method.

Note No: 30 Dividend consists of dividend on (i) Current Investments ₹ 1,15,811/- and (ii) Non Current Investments ₹ 7,57,823/-.

Note No: 31 Managing Director's Remuneration:	2012-13	2011-12
	₹	₹
(i) Salary	47,00,000	21,00,000
(ii) Contribution to Provident Fund	5,64,000	2,52,000
(iii) Commission	-	-
(iv) Perquisites	17,59,405	19,15,232
	70,23,405	42,67,232

During the year an application in Form No. 25A has been made to the Central Government for approval of reappointment and payment of minimum remuneration to Managing Director w.e.f. 1st August, 2012 not exceeding ₹ 127.20 Lacs per annum (including Retirement benefits) duly approved by the Shareholders of the Company in the Annual General meeting held on 8th August, 2012. Pending approval of the Central Government, provision has been made in respect of additional amount of remuneration which will become payable pursuant to approval of Central Government and is in excess of limits prescribed in Schedule XIII of the Companies Act, 1956 by ₹.17.13 Lacs.

Note No:32 Segment Information for the Year ended 31st March, 2013.

Primary Segment reporting - Business Segments

Particulars	Amount (₹)				
	Business Centre	Real Estate	Trading	Unallocated / Corporate	Total
A) Segment Revenue:					
External Sales / Income from Operations	6828971	150500	5095173434	7,90,40,185	5181193090
	<i>52883517</i>	<i>130000</i>	<i>3457382817</i>	<i>97,37,995</i>	<i>3520134329</i>
Other Income	3,60,831	66,68,941	1304840	70840430	79175042
	<i>9,22,478</i>	<i>51,46,788</i>	<i>-</i>	<i>102843618</i>	<i>108912884</i>
Total	7189802	6819441	5096478274	149880615	5260368132
	<i>53805995</i>	<i>5276788</i>	<i>3457382817</i>	<i>112581613</i>	<i>3629047213</i>
B) Segment Results:					
Profit / (Loss) before Depreciation, Taxes and exceptional items	4911642	6502246	53307145	36706094	101427127
	<i>43570697</i>	<i>5123822</i>	<i>39771333</i>	<i>(7545158)</i>	<i>80920694</i>
Depreciation	523897	43757	-	15266052	15833706
	<i>3692112</i>	<i>138105</i>	<i>-</i>	<i>13481879</i>	<i>17312096</i>
Profit / (Loss) before Taxes and Exceptional items	4387745	6458489	53307145	21440042	85593421
	<i>39878585</i>	<i>4985717</i>	<i>39771333</i>	<i>(21027037)</i>	<i>63608598</i>
C) Other Information:					
Segment Assets	2546177	75001321	637996986	991706392	1707250876
	<i>60101383</i>	<i>213860531</i>	<i>910853044</i>	<i>546170880</i>	<i>1730985838</i>
Segment Liabilities	-	450424900	554323134	278229798	1282977832
	<i>44212944</i>	<i>420959366</i>	<i>551218778</i>	<i>327892911</i>	<i>1344283999</i>
Capital Expenditure	-	2,41,48,875	-	2,35,35,902	47684777
	<i>35,753</i>	<i>-</i>	<i>-</i>	<i>17103548</i>	<i>17139301</i>
Depreciation	523897	43757	-	15266052	15833706
	<i>3692112</i>	<i>138105</i>	<i>-</i>	<i>13481879</i>	<i>17312096</i>
Non Cash Expenses other than	-	-	-	-	-
Depreciation	-	-	-	-	-

Previous Year's Figures are given in *Italics*

Notes:

- (i) The Company has identified Business Segments as primary segments. The Reportable Business Segments are: a) Business Center - comprising of activities connected with running of Business Centre, b) Trading - Consists of Trading in all Products and Commodities and c) Real Estate - comprising of Property Development and carrying on business or activities in real estate business of all types.
- (ii) Items of Revenue, Income and Expenses, Assets and Liabilities (including Borrowings, Provision for Taxation and Deferred Tax) which are not directly attributable / identifiable / allocable to business segments are shown as Unallocated / Corporate.

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(iii) Secondary Segment information - Geographical Segments:

(Secondary segment disclosures are reported on the basis of geographical location of customers).

	Current Year		Previous Year			
	India	Rest of the world	Total	India	Rest of the world	Total
Revenue	5181193090	-	5181193090	3520134329	0	3520134329
Capital Expenditure	47684777	-	47684777	17139301	0	17139301
Carrying Amount of Segment Assets	1707250876	-	1707250876	1730985838	0	1730985838

Note No: 33 Earning Per Share:

Earning Per Share has been calculated as under:

(a) Profit / (Loss) After Taxation and Exceptional Items	5,34,28,894	30,72,114
(b) Number of Equity Shares Outstanding (Face Value ₹ 2/-)	3,75,42,750	3,75,42,750
(c) Earning per Share (Face Value of ₹ 2/- per share) - (a) / (b) (Basic and diluted)	1.42	0.08

Note No: 34 Disclosures as required by the Accounting Standard -18 on "Related Party Disclosure" are given below:

i) Related Parties and Relationships:

A) Significant Influence :

- (i) Shree Rani Sati Investment & Finance Ltd.
- (ii) F. Pudumjee Investment Co. Ltd.
- (iii) Modern Derivatives & Commodities Pvt. Ltd.
- (iv) Alcyone Trading Co. Pvt. Ltd.
- (v) Camellia Mercantile Pvt. Ltd.
- (vi) Candescent Traders Pvt. Ltd.
- (vii) Ignatius Trading Co. Pvt. Ltd.
- (viii) Sarat Leasing & Finance Ltd.
- (ix) Vedant Mercantile Pvt. Ltd.

B) Key Management Personnel & Relatives :

- (i) Mr. V. K. Jatia - Chairman & Managing Director.
- (ii) Mrs. Gauri Jatia - Director.
- (iii) Mr. Vedant Jatia - Executive
- (iv) Mr. Mudit Jatia - Executive
- (v) Mr. Sidhant Jatia - Executive

Note: In respect of above parties, there is no provision for doubtful debts as on March 31, 2013 and no amount has been written off or written back during the year in respect of debts due from / to them.

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ii) Related Party Transactions: (Amount in ₹)

Nature of Transactions	Significant Influence (₹)	Key Management Personnel (₹)	Relatives of Key Management Personnel (₹)	Total (₹)
1. (a) Loans given	107350000			107350000
	46200000			46200000
(b) Repayment, etc. out of Loans given	92550000			92550000
	46200000			46200000
(c) Amount of loans given outstanding at the year end	-			-
	(14800000)			(14800000)
(d) Loans taken	65300000			65300000
	65300000			65300000
(e) Repayment out of Loans taken	64300000			64300000
	64300000			64300000
(f) Amount of loans taken outstanding at the year end	15800000			15800000
	14800000			14800000
2. (a) Interest on Inter Corporate Loans given	-			-
	195556			195556
(b) Amount of interest outstanding at the year end	-			-
	195556			195556
(c) Interest on Inter Corporate Loans taken	1009301			1009301
	134399			134399
(d) Amount of interest outstanding at the year end	9,61,219			9,61,219
	-			-
3. Purchase of Fixed Assets	-			-
	265000			265000
4. Sale of Shares	2500000			2500000
	-			-
5. Amount of Investments outstanding at the year end	-			-
	2500000			2500000
6. Managerial Remuneration		7023405		7023405
		4267232		4267232
7. Directors Sitting Fees			30,000	30000
			40,000	40000
8. Salaries			5305306	5305306
			3218681	3218681

Note: Previous Year's Figures are given in *Italics*

Note No: 35 On conclusion of Joint Venture Agreement w.e.f. 01.10.2012, Business Centre Activity has come to an end.

Note No: 36 Figures of the previous year have been regrouped and rearranged wherever necessary.

Signatures to Notes 1 to 36

As per our report attached
For K. S. Aiyar & Company
Chartered Accountants
Firm Reg. No. 100186W

Satish Kelkar
Partner
M. No. 38934

Mumbai, dated 4th May, 2013

Vijaykumar Modi
G.M. (Legal) & Company Secretary

N. K. Deora
Financial Controller

For and on behalf of the Board of Directors
V. K. Jatia
Chairman & Managing Director

Directors
R. Sethna **A. Didwania**
R. R. Doshi **D. J. Thakkar**
S. D. Israni **Gauri Jatia**

Mumbai, dated 4th May, 2013



MODERN INDIA LIMITED

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

PROXY

I/We _____
being a member/members of MODERN INDIA LIMITED hereby appoint _____
of _____ or failing him _____
of _____ as my/our proxy to vote for me/us and on my/our behalf
at the SEVENTY-NINETH ANNUAL GENERAL MEETING of the Company to be held at 4.00 P.M. on Tuesday the 23rd
day of July, 2013 or any adjournment thereof.

Dated _____

Folio No. _____

*DP ID _____

*Cl. ID No. _____

No. of Shares _____



Signature

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



MODERN INDIA LIMITED

ATTENDANCE SLIP

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

Dated _____

Folio No. _____

*DP ID _____

*Cl. ID No. _____

No. of Shares _____

Name of the attending Member (in BLOCK LETTERS)

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

I hereby record my presence at the SEVENTY-NINETH ANNUAL GENERAL MEETING 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.

Member's/Proxy's Signature

* Applicable to investors holding shares in electronic form.