



MODERN® INDIA LTD

82nd Annual Report 2015-2016



BOARD OF DIRECTORS



Mr. Vijay Kumar Jatia
Chairman & Managing Director



Mr. Anand Didwania
Director



Mr. Shivkumar Israni
Director



Mrs. Gauri Jatia
Director



Mr. Rajas R. Doshi
Director



Mr. Kaiwan Kalyaniwalla
Director



Mr. Pradip Kumar Bubna
Director

BANKERS

PUNJAB NATIONAL BANK
SHAMRAO VITHAL CO-OPERATIVE BANK
KOTAK MAHINDRA BANK
BARCLAYS BANK PLC
YES BANK LIMITED

AUDITORS

M/s. K. S. AIYAR & COMPANY, CHARTERED ACCOUNTANTS

VICE PRESIDENT & COMPANY SECRETARY

PARIND BADSHAH

REGISTERED OFFICE

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

CORPORATE OFFICE

1, MITTAL CHAMBERS, 228, NARIMAN POINT,
MUMBAI 400 021. TEL: +91 (22) 6744 4200
Email: info@modernindia.co.in

SHARE TRANSFER AGENTS

SATELLITE CORPORATE SERVICES PVT. LTD.
B-302, SONY APARTMENT, OPP. ST. JUDE HIGH SCHOOL
OFF. ANDHERI KURLA ROAD, JARIMARI, SAKINAKA,
ANDHERI (EAST), MUMBAI 400 072.
TEL. NO. +91-22-28520461
Email : service@satellitecorporate.com

CONTENTS	
	Page Nos.
NOTICE	1
BOARD'S REPORT	10
MANAGEMENT DISCUSSION AND ANALYSIS REPORT	21
CORPORATE GOVERNANCE REPORT	43
ADDENDUM TO BOARD'S REPORT	63
AUDITOR'S REPORT (STANDALONE)	64
BALANCE SHEET	71
STATEMENT OF PROFIT AND LOSS	72
CASH FLOW STATEMENT	73
NOTES TO THE ACCOUNT	74
AUDITOR'S REPORT (CONSOLIDATED)	94
CONSOLIDATED BALANCE SHEET	99
CONSOLIDATED STATEMENT OF PROFIT AND LOSS	100
CONSOLIDATED CASH FLOW STATEMENT	101
NOTES TO CONSOLIDATED ACCOUNTS	102



FROM THE DESK OF THE CHAIRMAN

My Dear Fellow Shareholders,

There is a sense of feeling in the markets that there is no visible change in the economy at the ground level. However it is the view of a few people that reform is a painful and slow process and that there is an invisible hand guiding the economy and that things are moving towards the right direction albeit at a slow pace. We are hopeful that the government shall pass the GST legislation soon which will create a level playing field across industries, in the country. The Government is also taking steps to open the Indian economy to the global markets as announced by the Prime Minister of India recently. The global economy seems to be reviving cautiously as the fears and repercussions of "BREXIT" loom large.

It is regrettable that there has been no movement in the NSEL scam and that the part of the Company's valuable resources are stuck in the scam, owing to which the Company is unable to maximize its treasury yield. There is some hope however that the impending merger of NSEL and FTIL will see investors getting back their hard earned money. The Government has proposed certain measures like supersession of the FTIL Board and the formation of a Committee to oversee the sale of assets, in an attempt to return back the money to the investors. We are hopeful that the Company will retrieve its money at the earliest.

The Company is looking forward to commission its balance 2 MW capacity at Solar Power Plant at Satara, Maharashtra in this financial year. The Company is also looking at other opportunities in this sector to enhance its presence, in the renewable energy sector.

The Company is on track to develop its properties in South Mumbai and the same is expected to takeoff shortly. The Company is treading a cautious path with its Boisar project owing to subdued market conditions.

Your subsidiary M/s Verifacts Services Pvt Ltd which is in the field of carrying out background /antecedents verification services has posted a robust growth clocking over 25% growth in income and over 200% growth in profits. We shall endeavor to maintain this upward trajectory. The capital expenditure incurred by Verifacts in the past financial year has borne dividend and the Company intends to carry out more capital expenditure in the coming year to improve its scale and reach.

Your overseas subsidiary M/s Modern International (Asia) Ltd has posted revenues of US\$ 10.82 Million as compared to US\$ 23.25 Million last year. This is mainly due reduction in volumes of baggage sales and overall downturn in the Chinese market. Steps are being taken to improve volumes.

Your Company has witnessed a rise in revenues, clocking standalone sales of Rs 80.53 Crores as opposed to Rs 55.93 crores in the previous corresponding year. The Company has posted a net profit after tax of Rs 0.14 crores against a loss of Rs 2.49 crores. The Directors are pleased to recommend a dividend of 15% for the year 2015-16.

We shall continue to strive to improve our performance.

Best Wishes,

Vijay Kumar Jatia

Chairman and Managing Director

NOTICE

NOTICE is hereby given that the 82nd Annual General Meeting of the Members of Modern India Limited will be held at M.C.Ghia Hall, 4th Floor, K. Dubash Marg, Kala Ghoda, Mumbai-400 001 on **Friday, the 22nd day of July, 2016 at 4.00 p.m.** to transact the following business.

ORDINARY BUSINESS

1. To receive, consider and adopt the Financial Statements (including Audited Consolidated Financial Statement) for the year ended 31st March, 2016 and the reports of Directors and the Auditors thereof.
2. To declare dividend on the Equity Shares for the year ended 31st March, 2016, if any.
3. To appoint a Director in place of Smt. Gauri Jatia (DIN 00096766), liable to retire by rotation in terms of Section 152(6) of the Companies Act, 2013 and, being eligible, offers herself for re-appointment.
4. To ratify the appointment of the Statutory Auditors of the Company to hold office from the conclusion of this meeting until the conclusion of the 83rd Annual General Meeting of the Company, and to fix their remuneration, and for that purpose, to pass the following Resolution, as an **Ordinary Resolution**:

“RESOLVED THAT pursuant to the provisions of Section 139, 141, 142 and other applicable provisions, if any, of the Companies Act, 2013, Messrs. K.S. Aiyar & Company, Chartered Accountants (Firm Registration No. 100186W), appointment as the Statutory Auditors of the Company to hold office from the conclusion of this Meeting until the conclusion of the 83rd Annual General Meeting of the Company be and is hereby ratified 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.”

NOTES:

- 1) **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING (THE MEETING) IS ENTITLED TO APPOINT A PROXY/PROXIES TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY/PROXIES NEED NOT BE A MEMBER OF THE COMPANY. A person can act as proxy on behalf of Members not exceeding fifty(50) and holding in aggregate not more than ten percent of the total share capital of the Company.** IN CASE A PROXY IS PROPOSED TO BE APPOINTED BY A MEMBER HOLDING MORE THAN 10% OF THE TOTAL SHARE CAPITAL OF THE COMPANY CARRYING VOTING RIGHTS, THEN SUCH PROXY SHALL NOT ACT AS A PROXY FOR ANY OTHER PERSON OR SHAREHOLDER. The instrument appointing a proxy duly completed and signed should, however, be deposited at the Registered Office of the Company not less than forty-eight hours before the commencement of the meeting. PROXIES SUBMITTED ON BEHALF OF THE COMPANIES, SOCIETIES ETC., MUST BE SUPPORTED BY AN APPROPRIATE RESOLUTION/AUTHORITY, AS APPLICABLE. A proxy form is sent herewith.
- 2) **The ISIN of the Equity Shares of ₹ 2/- each is INE251D01023.**
- 3) **AS PER COMPANIES (MANAGEMENT AND ADMINISTRATION) RULES, 2014 READ WITH CHAPTER VII OF THE COMPANIES ACT, 2013, THE SHAREHOLDERS OF THE COMPANY HAVE TO FURNISH THEIR INFORMATION AS PER ANNEXURE ATTACHED HERewith AND SHAREHOLDERS WHO ARE YET TO SUBMIT THE SAME ARE REQUESTED TO SUBMIT IT TO SATELLITE CORPORATE SERVICES PRIVATE LIMITED – RTA OF MODERN INDIA LIMITED ON OR**

BEFORE 30TH SEPTEMBER, 2016.

- 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) Members are requested to bring their Attendance Slip along with their copy of Annual Report to the Meeting.
- 6) 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.
- 7) The Register of Members and Share Transfer Books of the Company will remain closed from 09.07.2016 to 22.07.2016 (both days inclusive) –for annual closing and determining the entitlement of the shareholders to the dividend, if declared
- 8) 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. **Friday the 22nd July, 2016** to the Company's Equity Shareholders, whose names stand registered on the Company's Register of Members:
 - a. As Beneficial Owners as at the end of business hours on **8th July, 2016** as per the list provided by National Securities Depository Limited and Central Depository Services (India) Limited in respect of the shares held in the electronic form and
 - b. As Members in the Register of Members of the Company after giving effect to valid transfers in physical form lodged with the Company before **9th July, 2016**.
- 9) 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.
- 10) 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. 205 of the Companies Act,1956) Section 124 of the Companies Act, 2013, (not yet enforced) by the Company to The Investor Education & Protection Fund, constituted by the Central Government under Section (205C of the Companies Act, 1956). The unclaimed Dividend for the year 2008-2009 is due to be transferred to the IEPF on **24th August, 2016**. Members wishing to claim dividends, which remain unclaimed for the year **2009-2010 and onwards**, are requested to correspond with the Company's Registrars & Transfer Agents, along with full particulars.
- 11) Members desirous of making nomination as permitted under Section 72 of the Companies Act, 2013 in respect of the physical shares held by them in the Company, can make nominations in Form SH-13, which can be procured from the Registrar and Share Transfer Agent M/s Satellite Corporate Services Pvt. Ltd. The Members holding shares in demat form may contact their respective depository participants for such nominations.
- 12) 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.

- 13) **Unclaimed Share Certificates:** Pursuant to Regulation 39(4) read with Schedule VI of SEBI(Listing Obligation and Disclosure Requirement)Regulations, 2015,there are no Unclaimed shares. However, there are 1163325 shares in 1937 folios which are unclaimed post sub-division of shares from face value of ₹ 50/- to ₹ 10/- and subsequently from ₹ 10/- to ₹ 2/-, in spite of sending reminders.
- 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 in 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, Statement of Profit and Loss, and Boards Report and the Report of the Auditors of the Subsidiary Companies are not attached with the Annual Report of the Company. However, the Annual Reports of all the Subsidiary Companies are available for inspection at the Corporate Office of the Company to any Member of the Company. Further the Company will make available these documents to any Member upon request.
- 16) The Notice of the Annual General Meeting along with the Annual Report 2015-16 is being sent by electronic mode to those Members whose e-mail addresses are registered with the Company/Depositories, unless any Member has requested for a physical copy of the same. For Members who have not registered their e-mail addresses, physical copies are being sent by the permitted mode.
- 17) In compliance with provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules,2014, the Company is pleased to provide the Members the facility to exercise their right to vote at the 82nd Annual General Meeting(AGM) by electronic means and the business may be transacted through e-Voting Services provided by CDSL.
- 18) For the convenience of the Members, the route map of the meeting venue from the nearest railway station is annexed to this Notice. Details and Instructions for E-voting are enclosed along with the Notice. Company's website www.modernindia.co.in will be uploaded with the above documents well before the mandatory period and the copies of the aforesaid documents will be available for inspection at the Registered Office of the Company also.

By Order of the Board of Directors

Sd/-

PARIND BADSHAH

FCS:5414

Vice President & Company Secretary

Mumbai Dated: 26th May, 2016

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

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

**ANNEXURE TO THE DETAILS OF THE DIRECTOR TO BE REAPPOINTED IN
82ND ANNUAL GENERAL MEETING OF THE COMPANY**

<i>Name of Director</i>	<i>Date of Birth</i>	<i>Date of Appointment</i>	<i>Qualifications</i>	<i>Expertise in specific functional area</i>	<i>List of Other Directorships held excluding foreign companies, Companies under sec 8 of the Companies Act, 2013 & Private Companies</i>	<i>Chairman/ Member of the committees of the Board of other Companies in which he/she is a Director</i>	<i>The attendance of meetings of Board and Committees</i>	<i>Company's Shares held (No. of Shares)</i>
Smt. Gauri Jatia	03.01.1963	30.06.2003	Bachelors of Arts	Business	M/s. Shree Rani Sati Investment and Finance Limited	-	During the year Smt. Gauri Jatia attended all the meetings of Board of Directors	17850 Equity Shares

REMOTE E-VOTING INSTRUCTIONS

The instructions for shareholders voting electronically are as under:

- i. The instructions for shareholders voting electronically are as under: (i) The voting period begins on 18th July, 2016 at 09:30 hrs and ends on 21st July, 2016 at 17:00 hrs . During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date 15th July, 2016 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- ii. Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.
- iii. The shareholders should log on to the e-voting website www.evotingindia.com.
- iv. Click on Shareholders.
- v. Now Enter your User ID
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- vi. Next enter the Image Verification as displayed and Click on Login
- vii. If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any Company, then your existing password is to be used.
- viii. If you are a first time user follow the steps given below:

For Members holding shares in Demat Form and Physical Form

PAN	<p>Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none"> • Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field. • In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field
Dividend Bank Details or Date of Birth (DOB)	<p>Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login.</p> <ul style="list-style-type: none"> • If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (V).

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- ix. After entering these details appropriately, click on “SUBMIT” tab.
- x. Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach ‘Password Creation’ menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- xi. For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- xii. Click on the EVSN for MODERN INDIA LIMITED.
- xiii. On the voting page, you will see “RESOLUTION DESCRIPTION” and against the same the option “YES/NO” for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- xiv. Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
- xv. After selecting the resolution you have decided to vote on, click on “SUBMIT”. A confirmation box will be displayed. If you wish to confirm your vote, click on “OK”, else to change your vote, click on “CANCEL” and accordingly modify your vote.
- xvi. Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- xvii. You can also take a print of the votes cast by clicking on “Click here to print” option on the Voting page.
- xviii. If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- xix. **Shareholders can also cast their vote using CDSL’s mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. iPhone and Windows phone users can download the app from the App Store and the Windows Phone Store respectively on or after 30th June, 2016. Please follow the instructions as prompted by the mobile app while voting on your mobile.**
- xx. **Note for Non – Individual Shareholders and Custodians**
- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporate.
 - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
 - After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.

- The list of accounts linked in the login should be emailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
 - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- xxi. In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com.

The Board of Directors has appointed Shri. P. N. Parikh or failing him Shri. Mitesh Dhabliwala of M/s Parikh & Associates, Practicing Company Secretaries, Mumbai as the Scrutinizer to scrutinize the e-Voting process in a fair and transparent manner.

The Scrutinizer shall within a period not exceeding Three (3) days from the conclusion of the e-Voting period unblock the votes in the presence of at least 2 witnesses not in the employment of the Company and will make a scrutinizer’s report of the votes cast in favour or against, if any, forthwith to the Chairman of the Meeting.

The result on the resolutions shall be declared after the receipt of Scrutinizer’s Report

The results declared along with the Scrutinizer’s Report(s) will be available on the website of the Company (www.modernindia.co.in) within 2 days of passing of the resolutions and communication of the same to Bombay Stock Exchange Limited.

ANNEXURE- FOR NOTE 3 OF THE NOTICE

Date:

To,
 M/s. Satellite Corporate Services Pvt. Ltd.,
Unit: Modern India Limited,
 B-302, Sony Apartment, Opp St. Jude High School,
 Off Andheri Kurla Road, Jarimari, Sakinaka, Mumbai 400 072
 Dear Sir,

With reference to section 88(1) of the Companies Act,2013 we give the following information.

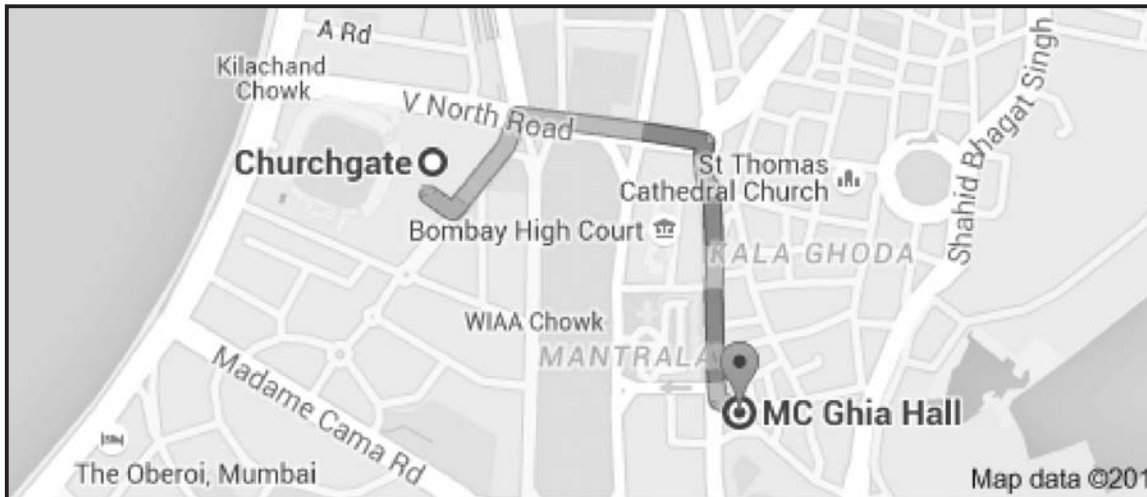
Name	
Name of Joint Holder, if any	1.
	2.
Address	
Folio No.	
Contact No.	Res.:
	Mob:
Email Id	
CIN Registration No. (in case of companies)	
Unique Identification No.	
Father's/Mother's/Spouse Name	1.
	2.
Occupation	
Date of Birth	
Pan No.	
Nationality	
Bank Name	
Branch Name	
Account Number	
MICR Number	
RTGS/NEFT/FSC Code (attach cancelled cheque)	

Thanking You
 Yours faithfully

Signature
 Name of the shareholder

Note: Shareholders holding shares in demat mode are requested to update their above details in their Demat account

ROUTE MAP
BY BUS/TAXI/ WALKING FROM CHURCHGATE TO VENUE



ROUTE MAP
BY BUS/TAXI/ WALKING FROM CST TO VENUE



BOARDS' REPORT

Dear Members,

Your Directors are pleased to present the Eighty Second Annual Report along with Audited Statement of Accounts for the Financial Year ended 31st March, 2016.

FINANCIAL RESULTS

(₹ in lacs)

	Financial Years	
	2015-16	2014-15
Gross profit before Depreciation	412.75	(284.84)
Less Depreciation / Amortization	396.30	151.30
Profit before tax	16.45	(436.14)
Less : Exceptional Expenditure	-	25.00
Provision for Taxation	-	-
Less MAT credit entitlement	-	-
Prior Period Expenses	-	-
Deferred Tax	2.71	(162.89)
Profit/Loss after Tax	13.74	(249.01)
Add: Balance brought forward	3403.05	3706.28
Balance available for appropriation	3416.79	3457.27
LESS : APPROPRIATION		
Proposed Dividend	112.63	45.05
Tax on distributed profit	22.92	9.17
Transferred to General Reserve	-	54.22
Balance carried to Balance Sheet	3281.23	3403.05

GENERAL INFORMATION ABOUT THE COMPANY

The Company has various business verticals inter alia Real Estate and Infrastructure Development, offering Business Centre facilities, Power Generation, Background Verification, Commodities Trading, International procurement solutions and services and Vocational Training amongst others.

PERFORMANCE

During the year under review (i.e 2015-2016) the stock markets tumbled due to the overall downturn in the overseas market conditions and the stock market has been bearing the brunt of the same. Though the Government of India has been unveiling a slew of measures and reforms through the Budget for the year 2016-17.

The overall global business scenario is not favourable, with the Chinese economy stagnating, the Japanese economy on a downward trend but the positive being that the economic scenario is looking up with the United States reporting a small marginal growth in employment based on increase in demand and consumption.

The Indian Economy has shown a degree of stabilization and is expected to do well, the GDP is expected to be around 7%. The sovereign rating have also improved. In our Company's context, the performance of the Company was average due to various reasons. As informed last year, the Company didn't renew any of the lease and license agreements, as the Company contemplates redevelopment, which has led to loss of rental income and with the NSEL crises, trading in commodities has been stopped. The total turnover during the year under review is ₹ **8053.36** lacs against ₹ 5593.09 lacs in the year 2014-15. Due to the above factors the Company has earned a marginal profit of ₹ **13.74 lacs** after tax compared to a loss of ₹ 249.01 Lacs in the corresponding previous year. As informed earlier, the Company had planned to setup a 5 MW Solar Power plant at Satara of which 3 MW Solar Power Plant has been commissioned in April 2015 and has started supplying power to the various companies and the remaining 2 MW plant will be commissioned and operational during the current financial year.

EVENTS SUBSEQUENT TO THE DATE OF FINANCIAL STATEMENTS

No major event has occurred subsequent to the date of the financial statements. As informed, the Company has suffered losses due to the NSEL crisis which has shaken the faith of the investors in the commodity markets. Our Company along with three others had instituted a Representative Suit in the Bombay High Court inter alia against Financial Technologies (India) Limited (FTIL), National Spot Exchange Limited (NSEL) and 36 others for recovery of its dues as an investor for the trades executed on the NSEL. The said suit is now clubbed with other suits filed against FTIL, NSEL and others. The suit is in advanced stages of hearing and the Management is of the view that the Company will be in a position to recover its debts.

The Company is regularly following up on the matter and keeps the Board Members updated about any development in the said matter. All possible steps are being taken to recover the amount receivable, ₹ **1359.51 Lacs** is outstanding as on 31st March 2016.

CHANGE IN THE NATURE OF BUSINESS, IF ANY

There are no changes in the nature of Business during the year under review.

DIVIDEND AND RESERVES

Despite the lackluster performance, your Directors are recommending a dividend of 0.30 per share, i.e 15 % per Equity Share of ₹.2/- each. The Dividend for the year amounts to ₹. 135.55 Lacs including the Dividend Distribution Tax. The Company has total reserves of ₹. 3839.17 lacs as on 31st March, 2016.

BOARD MEETINGS AND ATTENDANCE

Details of the Directors, their meetings, attendance etc have been given in the Corporate Governance Report which forms a part of this Annual Report.

DIRECTORS AND KEY MANAGERIAL PERSONNEL:

Smt Gauri Jatia (DIN:00096766), Director of the Company, retires by rotation and, being eligible, offers herself for re-appointment.

The Management recommends her reappointment.

The Companies Act, 2013 requires that the Independent Directors of the Company meet at least once a year without the presence of Executive Directors, the Non Executive Director or the Management or the Promoters of the Company.

The Independent Directors of our Company have met once during the year on 23.03.2016

The Nomination and Remuneration Committee and the Board of Directors have carried out the annual performance evaluation of all the Directors and the Board as a whole.

DECLARATION FROM INDEPENDENT DIRECTORS ON ANNUAL BASIS

The Company has received necessary declaration from each Independent Directors of the Company under Section 149(7) of the Companies Act, 2013 stating that the Independent Directors of the Company meet with the criteria of their Independence as laid down under Section 149(6) of the Companies Act, 2013.

COMMITTEES OF THE BOARD

The Companies Act, 2013 provides for the formation and duties of various committees of the Board, the Company in compliance with the Act, already has the following Committees in existence as on 31st March, 2016 and all the committees have specific roles, duties and responsibilities.

The following are the various Committees of the Board viz.

Audit Committee, Nomination and Remuneration Committee, Stakeholders Relationship Committee, Corporate Social Responsibility Committee and Risk Management Committee. Details of the meetings held and attendance at the various committee meetings are given in the Corporate Governance Report which forms a part of this Annual Report.

AUDIT COMMITTEE

The Audit Committee was constituted in January, 2001 and 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 Audit Committee consists of:

Shri. Anand Didwania	Chairman
Shri. Rajas Doshi	Member
Shri. Pradip Kumar Bubna	Member
Shri. S. D. Israni	Member

The Chairman & Managing Director of the Company is a permanent Invitee of the Audit Committee. At the invitation of the Committee, representatives from various divisions of the Company, Internal Auditors, Statutory Auditors and Chief Financial Officer also attend the Audit Committee meetings to respond to queries raised at the Committee meetings. Shri. Parind Badshah, Vice President and Company Secretary acts as the Secretary to the Audit Committee.

NOMINATION AND REMUNERATION COMMITTEE:

The Nomination and Remuneration Committee was constituted in April, 2002 and has been reconstituted from time to time. Shri. Vijay Kumar Jatia, Chairman and Managing Director of the Company was appointed as a member of the Committee in the Board meeting held on 11th May, 2015 and the Committee currently comprises of four directors where majority are Independent Directors. The Nomination and Remuneration Committee comprises:

Shri. Rajas R Doshi	Chairman
Shri Vijay Kumar Jatia	Member
Shri. Anand Didwania	Member
Dr. S D Israni.	Member

The terms of reference of the Nomination and Remuneration Committee include reviewing and recommending the terms of remuneration payable to the Executive Director and the Key Managerial Personnel (KMPs) based on the evaluation of their performance. The Committee also evaluates the performance of the Board of Directors. Shri. Parind Badshah, Vice President and Company Secretary acts as the Secretary to the Nomination and Remuneration Committee.

The Company has adopted a Nomination and Remuneration Policy for Directors, KMP and other employee formulated by the Committee for determining Qualification, Positive Attributes and Independence of a Director.

STAKEHOLDERS RELATIONSHIP COMMITTEE

According to the provisions of section 178(5) of the Companies Act, 2013 and the Companies (Meetings of Board and its Powers) Rules, 2014, every company having more than 1000 shareholders/ debenture holders/ deposit holders and any other security holders is required to have a "Stakeholders Relationship Committee". The Stakeholders Relationship Committee considers and resolves the grievances of security holders of the Company. The Committee consists of the following Directors:

- Shri Rajas R Doshi Chairman
- Shri Vijay Kumar Jatia Member
- Shri Pradip Kumar Bubna Member

CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

As per the Provision of Section 135 of the Companies Act, 2013 and the Companies (Corporate Social Responsibility Policy) Rules 2014, the Company has formed a "Corporate Social Responsibility Committee" of the Board consisting of the following Directors:

- Shri Vijay Kumar Jatia Chairman
- Smt Gauri Jatia Member
- Shri Kaiwan Kalyaniwalla Member
- Shri Pradip Kumar Bubna Member

The Committee is authorized to do all such acts, deeds and things which may be necessary for performing the duties and responsibilities defined under section 135 of the Companies Act, 2013 and the Companies (Corporate Social Responsibility Policy) Rules, 2014. They plan and execute the various CSR activities to be undertaken by the Company.

RISK MANAGEMENT COMMITTEE

The Company has formed a risk management committee to evaluate the various risk factors faced by the organization and how the same can be mitigated. The Committee comprises of the following Directors:

- Dr S.D. Israni Chairman
- Shri Vijay Kumar Jatia Member
- Shri Kaiwan Kalyaniwalla Member

VIGIL MECHANISM:

The Companies Act, 2013 envisages a Vigilance Mechanism and accordingly keeping in view the above a Whistle Blower Policy ("the Policy") has been formulated with a view to provide a mechanism for employees of the Company to approach and report the Violation to :-

- (i) immediate supervisor;
- (ii) Chairman of Audit Committee
- (iii) anonymously, by sending an e-mail to: vigilance@modernindia.co.in

All complaints / reports under this Policy will be promptly and appropriately investigated, and all information disclosed during the course of the investigation will remain confidential, except as necessary to conduct the investigation and take any remedial action, in accordance with applicable law.

During the year, the Company had received no complaints.

DIRECTORS' RESPONSIBILITY STATEMENT

In pursuance of section 134 (5) of the Companies Act, 2013, the Directors hereby state that:

- i) in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departure.
- 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, 2016 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.
- v) Internal Financial Control have been followed by the Company and that such Internal Financial Controls are adequate and are operating effectively.
- vi) Directors have devised proper system to ensure Compliance with the provisions of all applicable laws and that such system are adequate and operating effectively.

INTERNAL FINANCIAL CONTROL

Detailed note on Internal Financial Control is given in the Management Discussion Analysis which forms a part of this report. It must be noted that the Management had appointed the Statutory Auditors M/s.K.S.Aiyar, Chartered Accountants to also carry out the Audit of Internal Financial Controls over Financial Reporting as required under the Act and the Auditors have given their report to the Board and based on which the Directors have stated in their Directors Responsibility Statement that the Internal Financial Control have been followed by the Company and that such Internal Financial Controls are adequate and are operating effectively.

REPLY TO AUDITORS QUALIFICATION

With reference to the amount of ₹ 13.59 Crores receivables outstanding in respect of commodity trading transactions on

NSEL the management considers the same as good for recovery and a representative suit has been filed in the Hon'ble High Court at Bombay and the same is currently being heard, details of which have been given under events subsequent to the date of financial statements.

With regards to note no. 30 of the Notes to Accounts, Management is of view that the diminution in value of the investment is temporary in nature.

SUBSIDIARY COMPANIES

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

Modern International (Asia) Limited [MIAL] is actively involved in the B2B segment Business. MIAL sources products viz textile, furniture, luggage, building /construction material, gift articles etc primarily from China and other Countries and exports it to its clientele in other countries. The year 2015-16 was severely affected by the downturn in the Chinese market and global meltdown across, the Company's sales were adversely affected, in the given scenario MIAL has registered a turnover of **US \$10.82 million** for the year 2015-16 as against US\$ 23.25 million for the year 2014-15 and it has recorded profit of **US \$87,402** (previous year US \$1,83,585)

MODERN INDIA PROPERTY DEVELOPERS LIMITED (MIPDL):

Company deploys its surplus funds in 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. The Company has also undertaken construction and development activity in Bikaner along with a reputed builder.

During the financial year 2015-16, Company has earned profit before tax of ₹ 47.93 lacs as compared to a profit of ₹ 13.69 lac in the year 2014-15.

The Government has implemented the Real Estate (Regulation and Development) Act, 2016 which is expected to benefit both builders as well as the buyers.

MODERN INDIA FREE TRADE WAREHOUSING PRIVATE LIMITED (MIFTWPL)

The Company was set up with the aim of setting up free trade warehousing facilities, in this regards the Company has in its possession land at village Sai, District Raigad. The said land area has potential and will offer good opportunities over a period of time.

VERIFACTS SERVICES PRIVATE LIMITED

Verifacts Services Private Limited, is a human resources consulting company providing background/ antecedents verification services. The Company has started various other essential services like online chat facility to interact with existing and prospective clients Moreover, the Company is under negotiations with some of the giant corporate entities for extending their services.

During the year Verifacts has achieved a turnover of ₹ **1853.41 lacs** as against ₹ 1485.54 lacs in the corresponding previous year. This business has immense potential to flourish especially with the push by the Government of India for the Make in India concept, Start Up India initiative etc., this will result in the growth of the bottom line of your Company in the coming years.

ASSOCIATE COMPANIES

The Company does not have any associate companies nor does it have any existing joint venture as on 31st March, 2016.

Details of the Companies which have become / ceased to be its Subsidiary/ JV/ Associate Company.

During the year no other company became / ceased to be the subsidiary / JV / Associate Company.

Details of existing subsidiaries is given below:

Form AOC-I

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

Statement containing salient features of the financial statement of subsidiaries/associate companies/joint ventures

Part "A": Subsidiaries

Sr No.	Information in respect of each subsidiary	Name of the subsidiaries			
		Modern India Free Trade Warehousing Private Limited	Modern India Property Developers Limited	Modern International (Asia) Limited	Verifacts Services Private Limited
1	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	NA	NA	NA	NA
2	Reporting currency and Exchange rate as on the last date of the relevant financial year in the case of foreign subsidiaries	NA	NA	1USD=66.33INR	NA
3	Share capital	48000000	150000000	USD 1280000	5000000
4	Reserves & surplus	(2649404)	(55803023)	USD 739448	80213130
5	Total assets	45362046	94329091	USD 4540367	113657134
6	Total Liabilities	45362046	94329091	USD 4540367	113657134
7	Investments	-	-	NIL	-
8	Turnover	109193	6442593	USD 10820370	185341129
9	Profit before taxation	82711	4793380	USD 87402	18546050
10	Profit after taxation	82711	3551380	USD 87402	11374894
11	Proposed Dividend	NIL	NIL	NIL	50%
12	% of shareholding	51%	100%	100%	76%

EXTRACT OF ANNUAL RETURN

As required pursuant to Section 92(3) of the Companies Act, 2013 and rules 12(1) of the Companies (Management and Administration) Rules, 2014, an extract of Annual Return in MGT-9 is annexed to this Report as Annexure 1

AUDITORS' APPOINTMENT

As per the requirement of the Companies Act, 2013, an auditor who has been the auditor of the Company for a period of 10 continuous years or more will be required to relinquish his position, however the act provides for an interim period of 3 years to the Company to scout for a new Auditor.

Last year Messers K. S. Aiyar & Company, Chartered Accountants were appointed to hold office from the conclusion of the 81st Annual General Meeting to the conclusion of the 83rd Annual General Meeting. The Board of Directors recommend the ratification of the appointment of the Statutory Auditors for the year 2016-2017 (i.e from the conclusion of the 82nd Annual General Meeting upto the conclusion of the 83rd Annual General Meeting).

SECRETARIAL AUDIT REPORT

Secretarial Audit Report as provided by M/s Parikh & Associates Practicing Company Secretaries is annexed to this Report as **Annexure 2**.

The Company has received the Secretarial Audit report with two observations with regards to the following

a. *During the period under review, the Company has spent an amount of ₹ 3.76 lacs against the amount of ₹ 4.24 lacs to be spent during the year towards Corporate Social Responsibility.*

The balance amount had remained un-utilised as repair work was progressing at a slow pace and the same will be utilised during the current financial year.

b. *Litigations in respect of Representative Suit filed by the Company against Financial Technologies (India) Ltd, National Spot Exchange Ltd and 36 others for recovery of its dues as an Investor for the Trade executed on the NSEL.*

With regard to receivables from NSEL the management considers the same as good for recovery and the representative suit filed in the Hon'ble High Court at Bombay is currently being heard, details of which have been given under events subsequent to the date of financial statements.

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

In compliance with the provisions of Section 134 read with Companies (Accounts) Rules, 2014, a statement giving requisite information is given in **Annexure 'A'** forming part of this Report.

FIXED DEPOSITS: During the year under review, the Company has neither accepted nor renewed any Fixed Deposits, under Section 73 & 74 of the Companies Act, 2013.

SIGNIFICANT & MATERIAL ORDERS PASSED BY THE REGULATOR/ COURT OR TRIBUNALS

There are no significant and material orders passed by the regulators or Court or Tribunals impacting the Going Concern status and the Company's operations in future.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS:

The Company have duly complied with the Provision of the Companies Act, 2013 and the Company has taken / given

SECURED LOANS (Taken) : ₹ 113832943

UNSECURED LOANS (Taken/ given): NIL

CURRENT INVESTMENTS: NIL

NON CURRENT INVESTMENTS : ₹ 665994869

GUARANTEES : Corporate Guarantee for US \$ 5.6 million to Indian Overseas Bank.

SECURITIES EXTENDED : ₹ 5.2 crores and land bearing plot no. D1 admeasuring 1204.99 sq mtrs and Building appurtenant there to bearing C.S.No. 7/1895 (PART) Byculla Division.

RISK MANAGEMENT POLICY:

Risk is an integral and unavoidable component of business and the Management is committed to managing the risk in a proactive and effective manner. The Board of Directors in its Meeting held on 18.10.2015 constituted the "Risk Management Committee" and adopted the Risk Management Policy. The objective is to identify and mitigate the risk. The Company has adopted a systematic approach to mitigate risk associated with accomplishment of objective, operations, revenues and regulations.

CORPORATE SOCIAL RESPONSIBILITY POLICY

The Board of Directors in its meeting held on 16.05.2014 constituted "Corporate Social Responsibility Committee"(CSR) and adopted the Corporate Social Responsibility Policy.

The Committee recommends the activities to be undertaken which are approved by the Board, an amount of ₹ 376250/- was spent out of ₹ 424188/- as CSR Activity for the year 2015-16. The balance unutilized amount is being carried forward to the next financial year.

The balance amount of ₹ 47,938 is yet to be utilized, the total balance for the year 2014-15 and 2015-16 would be utilised along with the amount available for the year 2016-17 and the reason for not spending the un-utilised amount was because the repair work was progressing at a slow pace and the same will be utilised during the current financial year.

ANNUAL REPORT ON CSR is annexed in **ANNEXURE 3**

PARTICULARS OF CONTRACT AND ARRANGEMENTS WITH RELATED PARTIES

Details of contracts and arrangements with related parties is given in form AOC-2 as **ANNEXURE-4**

FORMAL ANNUAL EVALUATION

The Board of Directors pursuant to Section 134 (3)(p) of the Companies Act, 2013 conducted an evaluation of the Board as a whole, its Committees as well as the performance of each individual director. The Independent Directors at their meeting held in March 2015 had laid down the criteria / parameters for conducting the said evaluation which was accepted by the Board and thereafter the evaluation was conducted. The performance of the Directors and their role and the performance of the Committees was found satisfactory and in turn the overall performance of the Board was also satisfactory. It is important to note here that the performance of the Company has not been upto the mark, due to the conscious decision taken to not renew the leave and license agreements of Modern Centre, stoppage of commodity trading due to NSEL crises and overall downward trend in the market witnessed in the year under review.

DISCLOSURE ABOUT COST AUDIT

Cost Audit is not Applicable to the Company.

RATIOS OF REMUNERATION TO EACH DIRECTOR

The Directors of the Board receive sitting fees for attending the meeting of the Board and its various Committees except Shri Vijay Kumar Jatia who is the Chairman and Managing Director of the Company, he is appointed by Members of the Company and the Company has made an application to the Central Government to approve the remuneration payable to him as the same being approved by the shareholders of the company in the 81st Annual General Meeting. Meanwhile, he continuous to draw at the rate payable to him during last appointment. In view of this, only one ratio of remuneration of the director (Managing Director) with the median of the employees is possible, which is enclosed as **ANNEXURE 5**.

LISTING WITH STOCK EXCHANGE

The Company confirms that it has paid the Annual Listing fees for the year 2016-2017 to BSE where the Company's Shares are listed.

CORPORATE GOVERNANCE

In compliance of Regulation 34 and 53 read with Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 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 as **ANNEXURE-6**.

The Secretarial Standards I & II became effective from 01.07.2015 as per government notification and the Company has implemented the standards well within the time prescribed.

ISSUE OF SWEAT EQUITY SHARES/ISSUE OF SHARES WITH DIFFERENTIAL RIGHTS/ISSUE OF SHARES UNDER EMPLOYEES STOCK OPTION SCHEME.

The Company has not issued any sweat equity shares/ Issue of Shares with Differential Rights/Issue of Shares under Employee's stock option scheme during the year under review i.e 2015-16.

DISCLOSURE ON PURCHASE BY COMPANY OR GIVING OF LOAN BY IT FOR PURCHASE OF ITS SHARES.

The Company has neither purchased nor given any loan to anyone for purchase of its shares.

BUY BACK OF SHARES

The Company has not considered any proposal for buyback of shares during the year under review.

MANAGEMENT DISCUSSION AND ANALYSES

As per the requirement of Regulation 34(2) and 53(f) read with Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 the Management Discussion and Analysis of the events, which have taken place and the conditions prevailed, during the period under review, are enclosed in **ANNEXURE - B** to this Report.

GREEN INITIATIVE:

Your Company has taken the initiative of going green and minimizing the impact on the environment. The Company has been circulating the copy of the Annual Report in electronic format to all those Members whose email address is available with the Company. Your Company would encourage other Members also to register themselves for receiving Annual Report in electronic form.

ACKNOWLEDGMENT

Your Directors wish to place on record their sincere thanks to the Valued Customers, Suppliers, Bankers, 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 their employees and executives at all levels for their valuable contributions.

Mumbai

Date: 26.05.2016

For and on behalf of the Board of Directors
Sd/-

Registered Office:

Modern Centre, Sane Guriji Marg, Mahalaxmi, Mumbai- 400 011

Vijay Kumar Jatia
Chairman & Managing Director

ANNEXURE 'A' TO THE DIRECTORS' REPORT

INFORMATION AS PER SECTION 134 READ WITH COMPANIES (ACCOUNTS) RULES, 2014 AND FORMING PART OF THE DIRECTORS' REPORT FOR THE YEAR ENDED 31ST MARCH, 2016

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

As the Company has no manufacturing activities, the provisions of Companies (Accounts) Rule, 2014 relating to Conservation of Energy, Technology Absorption and Research & Development do not apply to your company.

2. FOREIGN EXCHANGE EARNINGS AND OUTGO:

- | | | |
|-------------------------------------------------------------------|---|--------------------------------------------------------------------------------------------------------------------------------------------------------------|
| (a) Activities relating to exports | : | The Company exported books from IJJ 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 | : | 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 | : | ₹ 55641/- |
| (ii) Outgoing | : | ₹ 2891629/- |
-

INDUSTRY STRUCTURE, DEVELOPMENTS AND OUTLOOK

India is an emerging economy and on the whole, India's economic outlook is far brighter than it was in 2014-15. India is set to emerge as the world's fastest-growing major economy by 2016 ahead of China, as per the recent report by The World Bank. The improvement in India's economic fundamentals has accelerated in the year 2015-16 with the combined impact of strong government reforms, RBI's inflation focus supported by global commodity prices. Furthermore, initiatives like Make in India, Digital India, Start up India, Skill India will play a vital role in driving the Indian economy. India's economic growth is expected to be 7.4% in the fiscal year 2016-17.

OPPORTUNITIES AND THREATS**THE REAL ESTATE BUSINESS**

The real estate sector is one of the most globally recognized sectors. In India, real estate is the second largest employer after agriculture. Emergence of nuclear families, rapid urbanization and rising household income are likely to remain the key drivers for growth in all spheres of real estate, including residential, commercial and retail. The Indian real estate sector has witnessed high growth in recent times with the rise in demand for office as well as residential spaces. The real estate sector is deeply linked to the economic performance which plays a major role in the Indian economic growth. The share of real estate sector is expected to increase to 13 per cent by 2028. Real estate is currently the fourth-largest sector in the country in terms of Foreign Direct Investment (FDI) inflows. The Real Estate Act seeks to set up a Real Estate Regulatory Authority in states and federal territories to oversee real estate transactions. It will help regulate the real estate sector and bring in clarity in terms of who governs/monitors realty projects. The Act is touted as a key reform measure in the vast real estate sector. The Act also aims at protecting the interest of consumers in the real estate sector and to establish an adjudicating mechanism for speedy dispute redressal.

TRADING

Overall economic scenario worldwide is stagnant but India is pushing its limits and trading activity has been brisk and is expected to remain same in FY 2016-17. Fabrics, yarn, luggage, furniture, building material and other merchandise are the drivers for improved operations. During the year under review, despite slow down we have achieved sales of US \$10.82 million in our subsidiary Modern International (Asia) Limited.

Segment wise 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)

Sr. No	Particular	Real Estate	Trading	Renewable Energy	Unallocated/ Corporate	Total
i	Segment Revenue	2.84	7803.16	222.21	25.15	8053.36
ii	Segment Result	2.61	(9.27)	(260.71)	432.08	164.71
iii	Segment Capital Employed	(5726.45)	1521.84	2096.25	6698.39	4590.03

FINANCIAL PERFORMANCE CONSOLIDATED

The Company, in its standalone position, earned a profit of ₹ 13.73 lacs whereas on a consolidated basis it is ₹ 200.26 lacs. The income from operations is ₹ 16989.91(previous year ₹ 21297.49 lacs) it may be noted that reduction in turnover is due to the downturn in the Chinese economy and in the world economy at large. Other Income is ₹ 1597.31 (previous year ₹ 887.69lacs). The Company continues its thrust in promoting its subsidiaries which will soon reflect in top line growth and also lead to a substantial increase in the bottom line.

RISK MANAGEMENT:

The Company can be exposed to various business risks which might threaten its business continuity if not identified promptly and addressed on time. Therefore the company follows a proactive risk management policy, aimed at protecting its investor's, employees, assets and the environment while at the same time ensuring growth and continuity of its business. Regular updates of perceived risks are made available to the Board at the Board Meeting and in special cases on ad-hoc basis. The Risk Management Committee is entrusted with the responsibility of evaluating the various risk faced by the organization and also consider the ways and means to mitigate the same.

INTERNAL CONTROL SYSTEM AND THEIR ADEQUACY

Modern India Limited has a well defined organization structure, documented policy guidelines, predefined authority levels, and an extensive system of internal controls which helps in ensuring optimal utilization and protection of resources, IT security, accurate reporting of financial transactions and compliance with applicable laws and regulations.

- We have 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.
- Company 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 auditor.

-
- As required by the Companies Act, 2013 for the financial year 2015-16 an audit of the Internal Financial Control was also carried out by the Statutory Auditor of the Company.

HUMAN RESOURCE /INDUSTRIAL RELATIONS

Your Company firmly believes that success of a company comes from good Human Resources. Employees are considered an important asset and key to its success. HR Department 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) and by conducting monthly presentation which helps develops the overall personality of the employees and helps to maintain inter-personal relations between the employees Company aims to remain lean and dynamic in a continuing de-layered structure. The employee relations continued to be satisfactory.

OUTLOOK:

The Company has diversified itself into various businesses and aims to make optimum utilization of the opportunities that it shall come across during the conduct of its business activities thereby eliminating or avoiding the threats posed before it with a view to ensure maximum utilization of the investors wealth .

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.

Form No. MGT-9
EXTRACT OF ANNUAL RETURN
as on the financial year ended on 31ST March, 2015
[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies
(Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS:

- i) CIN:-L17120MH1933PLC002031
- ii) Registration Date: 24.10.1933
- iii) Name of the Company: MODERN INDIA LIMITED
- iv) Category / Sub-Category of the Company: Business and Commercial
- v) Address of the Registered office and contact details : Modern Centre, Sane Guruji Marg, Mahalaxmi, Mumbai- 400011. Email: info@modernindia.co.in; Ph.No. 022-67444200; fax:67444300; website:www.modernindia.co.in
- vi) Whether listed company: Yes
- vii) Name, Address and Contact details of Registrar and Transfer Agent, if any: Satellite Corporate Services Pvt. Ltd.
Address: B-302, Sony apartments, Opp.St. Jude High School, 90 feet Road, Jarimari, Sakinaka, Mumbai-400072.
CIN: U65990MH1994PTC077057 Email:service@satellitecorporate.com; Ph.No:022-28520461/62

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10 % or more of the total turnover of the company shall be stated:-

Sl. No.	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the company
1	Trading	5131	96.89
2	Real Estate	7010	0.02
3	Renewable Energy	3510	3.09

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES -

S. NO	NAME AND ADDRESS OF THE COMPANY	CIN/GLN	HOLDING/ SUBSIDIARY/ ASSOCIATE	% of shares held	Applicable Section
1	Modern India Property Developers Limited	U72200MH12000PLC128584	SUBSIDIARY	100.00	2(87)
2	Modern India Free Trade Warehousing Private Limited	U63020MH2008PTC183877	SUBSIDIARY	51.00	2(87)
3	Verifacts Services Private Limited	U74140KA2005PTC035878	SUBSIDIARY	76.00	2(87)
4	Modern International (Asia) Limited	-	SUBSIDIARY	100.00	2(87)

Statement Showing Shareholding Pattern 31.03.2016

SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)									
Category-wise share holding									
MODERN INDIA LTD									
Category of Shareholder	No of shares held at the beginning of the year (as on 01.04.2015)				No of shares held at the beginning of the year (as on 31.03.2016)				% Change during the year (9-5)
	Demat	Physical	Total	% of total shares	Demat	Physical	Total	% of total shares	
1	2	3	4	5	6	7	8	9	10
Promoters									
Indian									
Individuals / Hindu									
Undivided Family	152855	0	152855	0.41	152855	0	152855	0.41	0.00
Central Government	0	0	0	0.00	0	0	0	0.00	0.00
State Governments(s)	0	0	0	0.00	0	0	0	0.00	0.00
Bodies Corporate	28004207	0	28004207	74.59	28004207	0	28004207	74.59	0.00
Financial Institutions / Banks	0	0	0	0.00	0	0	0	0.00	0.00
Any other (specify)	0	0	0	0.00	0	0	0	0.00	0.00
Directors & their relatives	0	0	0	0.00	0	0	0	0.00	0.00
Sub-Total (A) (1)	28157062	0	28157062	75.00	28157062	0	28157062	75.00	0.00
Foreign		0	0	0.00		0	0	0.00	0.00
Non-Resident Individuals	0	0	0	0.00	0	0	0	0.00	0.00
Other Individuals	0	0	0	0.00	0	0	0	0.00	0.00
Bodies Corporate	0	0	0	0.00	0	0	0	0.00	0.00
Banks / FI	0	0	0	0.00	0	0	0	0.00	0.00
Any Other (specify)	0	0	0	0.00	0	0	0	0.00	0.00
Sub-Total (A) (2)	0	0	0	0.00	0	0	0	0.00	
Total Shareholding of									
Promoter (A) = (A)(1)+(A)(2)	28157062	0	28157062	75.00	28157062	0	28157062	75.00	0.00
Public Shareholding			0	0.00			0	0.00	
Institutions			0	0.00			0	0.00	
Mutual Funds	0	0	0	0.00	0	0	0	0.00	0.00
Financial Institutions / Banks	803200	51475	854675	2.28	803200	51475	854675	2.28	0.00
Central Government	0	0	0	0.00	0	0	0	0.00	0.00
State Governments(s)	0	0	0	0.00	0	0	0	0.00	0.00
Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00
Insurance Companies	1124041	500	1124541	3.00	1124041	500	1124541	3.00	0.00

Statement Showing Shareholding Pattern 31.03.2016

SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)									
Category-wise share holding									
MODERN INDIA LTD									
Category of Shareholder	No of shares held at the beginning of the year (as on 01.04.2015)				No of shares held at the beginning of the year (as on 31.03.2016)				% Change during the year (9-5)
	Demat	Physical	Total	% of total shares	Demat	Physical	Total	% of total shares	
1	2	3	4	5	6	7	8	9	10
Foreign Institutional Investors	4461519	0	4461519	11.88	4461519	0	4461519	11.88	0.00
Foreign Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00
Any Other (Specify)	0	0	0	0.00	0	0	0	0.00	0.00
Sub-Total (B) (1)	6388760	51975	6440735	17.16	6388760	51975	6440735	17.16	0.00
Non-Institutions			0	0.00			0	0.00	
Bodies Corporate			0	0.00	0	0	0	0.00	0.00
i) Indian	990789	1325	992114	2.64	979486	1325	980811	2.61	0.00
ii) Overseas	0	0	0	0.00	0	0	0	0.00	
Individuals	0	0	0	0.00	0	0	0	0.00	
Individual Shareholders holding nominal Share									
Capital upto Rs.1 Lakh	699348	920370	1619718	4.31	708182	907545	1615727	4.30	-0.01
Individual Shareholders holding nominal Share									
Capital in excess of Rs.1 Lakh	0	0	0	0.00	0	0	0	0.00	0.00
Any Other (Specify)	0	0	0	0.00	0	0	0	0.00	0.00
Clearing Member	36	0	36	0.00	25	0	25	0.00	0.00
Overseas Corporate Bodies	0	250000	250000	0.67	0	250000	250000	0.67	0.00
Non Resident Indians	9190	34400	43590	0.12	19120	34375	53495	0.14	0.03
HUF	38265	0	38265	0.10	43665	0	43665	0.12	0.01
Directors & their relatives	1230	0	1230	0.00	1230	0	1230	0.00	0.00
Sub-total (B) (2)	1738858	1206095	2944953	7.84	1751708	1193245	2944953	7.84	0.00
Total Public Shareholding									
(B) = (B)(1)+(B)(2)	8127618	1258070	9385688	25.00	8140468	1245220	9385688	25.00	0.00
TOTAL (A)+(B)	36284680	1258070	37542750	100.00	36297530	1245220	37542750	100.00	0.00
Shares held by Custodians									
Custodian for GDRs & ADRs	0	0	0	0.00	0	0	0	0.00	0.00
GRAND TOTAL (A)+(B)+(C)	36284680	1258070	37542750	100.00	36297530	1245220	37542750	100.00	0.00

ii) Shareholding of Promoters

Sr. No.	Name of the shareholders	Shareholding at the beginning of the year 01st April 2015		Shareholding at the end of the year - 31st March 2016	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
1	ALCYONE TRADING COMPANY PRIVATE LIMITED	1530000	4.08	1530000	4.08
2	CAMELLIA MERCANTILE PRIVATE LIMITED	1635591	4.36	1635591	4.36
3	CANDESCENT TRADERS PRIVATE LIMITED	1530000	4.08	1530000	4.08
4	F PUDUMJEE INVESTMENT COMPANY PVT LIMITED	5772008	15.37	5772008	15.37
5	GAURI JATIA	17850	0.05	17850	0.05
6	IGNATIUS TRADING COMPANY PRIVATE LTD	1530000	4.08	1530000	4.08
7	MUDIT VIJAYKUMAR JATIA	15000	0.04	15000	0.04
8	SARAT LEASING AND FINANCE PVT LTD	7707500	20.53	7707500	20.53
9	SHREE RANI SATI INVESTMENT & FINANCE LIMITED	8299108	22.11	8299108	22.11
10	SIDHANT VIJAYKUMAR JATIA	15000	0.04	15000	0.04
11	VEDANT JATIA	15000	0.04	15000	0.04
12	VIJAYKUMAR MAHABIRPRASAD JATIA	90005	0.24	90005	0.24

(iii) Change in Promoters Shareholding

There are no changes in promoter shareholding

(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):

SHAREHOLDING PATTERN OF TOP TEN SHAREHOLDERS(OTHER THAN DIRECTORS,PROMOTERS AND HOLDERS OF GDRS AND ADRS)									
SR. NO	NAME	SHAREHOLDING		DATE	INCREASE/ DECREASE IN SHARE HOLDING	REASON	COMUATIVE SHAREHOLDING DURING THE YEAR (01-04-15 TO 31.03.16)		
		NO. OF SHARES AT THE BEGINING (01.04.2015) END OF THE YEAR (31.03.2016)	% OF TOTAL SHARES OF THE COMPANY				NO OF SHARES	% OF TOTAL SHARES OF THE COMPANY	
1.	State Bank of India	753200	2.01	01.04.2015 31.03.2016	0 0	NIL NIL	0 753200	0.00 2.01	
2.	General Insurance Corporation of India	300000	0.80	01.04.2015 31.03.2016	0 0	NIL NIL	0 300000	0.00 0.80	
3.	United India Insurance Company Limited	824041	2.19	01.04.2015 31.03.2016	0 0	NIL NIL	0 824041	0.00 2.19	
4.	LTS Investment Fund Ltd.	1716519	4.57	01.04.2015 31.03.2016	0 0	NIL NIL	0 1716519	0.00 4.57	
5.	Millennium Commercial Private Ltd.	478866	1.28	01.04.2015 31.03.2016	0 100	NIL INCREASE	0 478966	0.00 1.28	
6.	Eclat Developers Private Ltd	235213	0.63	01.04.2015 31.03.2016	0 0	NIL NIL	0 235213	0.00 0.63	
7.	Ecalat Mercantile Private Ltd.	120296	0.32	01.04.2015 31.03.2016	0 0	NIL NIL	0 120296	0.00 0.32	
8.	Millennium Commercial Pvt. Ltd.	73176	0.19	01.04.2015 31.03.2016	0 0	NIL NIL	0 73176	0.00 0.19	
9.	APMS Investment Fund Ltd	980000	2.61	01.04.2015 31.03.2016	0 0	NIL NIL	0 980000	0.00 2.61	
10.	Eriska Investment Fund Ltd	1765000	4.70	01.04.2015 31.03.2016	0 0	NIL NIL	1765000 0	4.70 0.00	

(v) Shareholding of Directors and Key Managerial Personnel:

Sr No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	Shri Vijay Kumar Jatia				
	At the beginning of the year	90005	0.24	90005	0.24
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	-	-	-	-
	At the End of 31.03.2016 the year	90005	0.24	90005	0.24

Sr No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
2	Smt Gauri Jatia				
	At the beginning of the year	17850	0.05	17850	0.05
	Date wise Increase/Decrease in Shareholding during the yearspecifying the reasons for increase / decrease (e.g.allotment / transfer / bonus/sweatequity etc):	-	-	-	-
	At the End of 31.03.2016 the year	17850	0.05	17850	0.05

Sr No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
3	Shri Pradip Kumar Bubna				
	At the beginning of the year	1230	0.003	1230	0.003
	Date wise Increase/Decrease in Shareholding during the yearspecifying the reasons for increase / decrease (e.g.allotment / transfer / bonus/sweatequity etc):	-	-	-	-
	At the End of 31.03.2016 the year	1230	0.003	1230	0.003

Sr No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
4	Shri Nawalkishore Deora				
	At the beginning of the year	25	0.00	25	0.00
	Date wise Increase/Decrease in Shareholding during the years specifying the reasons for increase / decrease (e.g.allotment / transfer / bonus/sweatequity etc):	-	-	-	-
	At the End of 31.03.2016 the year	25	0.00	25	0.00

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment

(₹ in Lacs)

	Secured Loans excluding deposits	Unsecured Loans	Deposits (Security Deposit)	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	3059.41		5508.77	8568.18
ii) Interest due but not paid	-		-	
iii) Interest accrued but not due	-		-	
Total (i+ii+iii)	3059.41		5508.77	8568.18
Change in Indebtedness during the financial year-				
Addition-	-	-	2096.50	2096.50
Reduction	1921.08	-	-	1921.08
Net Change				
Indebtedness at the end of the financial year				
i) Principal Amount	1138.33	-	7605.27	8743.60
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	1138.33	-	7605.27	8743.60

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL
A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

Sl. no.	Particulars of Remuneration	Name of MD/WTD/ Manager Shri Vijay Kumar Jatia
1.	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 (c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	₹ 55,20,000 ₹ 21,67,625 –
2.	Stock Option	–
3.	Sweat Equity	–
4.	Commission - as % of profit - others, specify	– –
5.	Others, please specify: Contribution to Provident Fund	₹ 6,62,400
	Total (A)	₹ 83,50,025
	Ceiling as per the Act	
Note : As per approval of Central Govt.		

*Shri Vijay Kumar Jatia has been reappointed for a further period of three (3) years up to 31.07.2018 by the Board of Directors at their meeting held on 11th May, 2015 as Managing Director with effect from 1st August, 2015 and the Members at the 81st Annual General Meeting held on 08.08.2015. Shri. Vijay Kumar Jatia is being paid remuneration upto ₹ 84 lacs per annum as was sanctioned by Central Government in his earlier tenure.

The Company has applied to the Central Government for payment of remuneration to Shri Vijay Kumar Jatia based on the recommendation of the Nomination and Remuneration Committee which was approved by the Board and the Members of the Company.

B. Remuneration to other directors:
(Amt in ₹)

Sl. no.	Particulars of Remuneration	Name of Directors, Independent Directors				Non Executive Directors		Total Amt
1	Sitting Fee for attending board committee meetings	Shri Anand Didwania	Shri Rajas Doshi	Shri S D Israni	Shri Kaiwan Kalyaniwala	Shri Pradip Kumar Bubna	Smt Gauri Jatia	2200000
	Commission	–	–	–	–	–	–	
	Others, please specify	–	–	–	–	–	–	
	Total	440000	480000	480000	320000	360000	240000	2200000
	Overall Ceiling as per Act	As per Section 197 of the Companies Act, 2013						

C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD

Sr. No. Particulars of Remuneration			
	Company Secretary	CFO	Total
1. Gross salary			
(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	₹ 26.50 Lacs	₹ 30.00 Lacs	₹ 56.50 Lacs
(b) Value of perquisites u/s 17(2) Income-tax Act, 1961			
(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961			
2. Stock Option	–	–	–
3. Sweat Equity	–	–	–
4. Commission			
- as % of profit			
- others, specify...	–	–	–
5. Others, please specify	–	–	–
Total	₹ 26.50 Lacs	₹ 30.00 Lacs	₹ 56.50 Lacs

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

No penalties / punishment/ compounding of offences were levied on the Company.

**SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2016**

(Pursuant to Section 204 (1) of the Companies Act, 2013 and rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014)

To,
The Members,
Modern India Limited

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Modern India Limited (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the company, the information provided by the company, its officers, agents and authorised representatives during the conduct of secretarial audit, the explanations and clarifications given to us and the representations made by the Management, we hereby report that in our opinion, the company has, during the audit period covering the financial year ended on 31st March, 2016 generally complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records made available to us and maintained by the Company for the financial year ended on 31st March, 2016 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contract (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act')
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992 and Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 and amendments from time to time;(Not applicable to the Company during the audit period)
 - (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 and The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;(Not applicable to the Company during the audit period)
 - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations,2008;(Not applicable to the Company during the audit period)
 - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents)Regulations, 1993 regarding the Companies Act and dealing with client;(Not applicable to the Company during the audit period)
 - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; (Not applicable to the Company during the audit period) and

(h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; (Not applicable to the Company during the audit period)

(vi) Other laws applicable specifically to the Company namely :

1. Shops and Commercial Establishment Act;
2. Transfer of Property Act, 1882;
3. Indian Contract Act, 1872;
4. Municipal Local Laws;
5. Electricity Act, 2003 along with Government of Maharashtra, Industries, Energy and Labour Department – Government resolution No:-NCE-2015/C.R.49/Energy-7

We have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India with respect to board and general meetings.
- (ii) The Listing Agreements entered into by the Company with BSE Limited read with the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

During the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, standards etc. mentioned above. However the Company has spent an amount of Rs. 3.76 lacs against the amount of Rs. 4.24 lakhs to be spent during the year towards Corporate Social Responsibility.

We further report that:

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice was given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Decisions at the Board Meetings were taken unanimously.

We further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the audit period the Company had following events which had bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards etc.

- a. Litigations in respect of Representative Suit filed by the Company against Financial Technologies (India) Ltd, National Spot Exchange Ltd and 36 others for recovery of its dues as an Investor for the Trade executed on the NSEL.

Place: Mumbai
Date: 26th May, 2016

For Parikh & Associates
Company Secretaries
Signature:
Sarvari Shah
Partner
ACS No: 27572 CP No: 11717

This Report is to be read with our letter of even date which is annexed as Annexure A and Forms an integral part of this report.

'Annexure A'

To,
The Members
Modern India Limited

Our report of even date is to be read along with this letter.

1. Maintenance of Secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and process as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in Secretarial records. We believe that the process and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Where ever required, we have obtained the Management representation about the Compliance of laws, rules and regulations and happening of events etc.
5. The Compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedure on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

Place: Mumbai
Date: 26th May, 2016

For Parikh & Associates
Company Secretaries
Signature:
Sarvari Shah
Partner
ACS No: 27572 CP No: 11717

**FORMAT FOR THE ANNUAL REPORT ON CSR ACTIVITIES TO BE
INCLUDED IN THE BOARD'S REPORT**

- **A brief outline of the company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs :**

The Company has adopted the CSR Policy which will undertake activities as specified in Schedule VII of the Companies Act 2013 with emphasis on promoting education, gender equality, reducing child mortality, ensuring environmental sustainability, social business projects, etc.

The policy can be accessed on the company's website : www.modernindia.co.in

- **The Composition of the CSR Committee : The Committee consist of 4 Directors as follows :**

Shri Vijay Kumar Jatia

Smt. Gauri Jatia

Shri Pradip Bubna

Shri Kaiwan Kalyaniwala

- **Average net profit of the company for last three financial years : Rs. 14,27,842/-**
- **Prescribed CSR Expenditure (two per cent. of the amount as in item 3 above) : Rs 28557/-**
- **Details of CSR spent during the financial year 2015-16 : Rs. 3,76,250/-**
- **Total amount to be spent for the financial year 2015-16 : Rs. 4,24,188/-**
- **Amount unspent, if any : Rs. 47,938/-**
- **Manner in which the amount spent during the financial year is detailed below :**

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
S. No	CSR project or activity identified.	Sector in which the Project is covered	Projects or programs (1) Local area or other (2) Specify the State and district where projects or programs was undertaken	Amount outlay (budget) project or programs- wise	Amount spent on the projects or Programs- Sub-heads: (1) Direct expenditure on projects or programs. (2) Overheads:	Cumul-ative expenditure up to there porting period	Amount spent: Direct or through implementing agency *
1	Smt. Gigi Devi Durgadutt Jatia Govt Sr. Secondary School	Educational Sector	In the State of Rajasthan	Rs.11,26,000	Rs.3,76,250	Rs.3,76,250	The amount was routed through Vijay Jatia Foundation with express instruction to

spend the same
for repair,
rennovation,
mainteance
activities at Smt.
Gigi Devi
Durgadutt Jatia
Govt Sr.
Secondary
School

Total	Rs.11,26,000	Rs.3,76,250	Rs.3,76,250
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Give details of implementing agency: Vijay Jatia Foundation

2. In case the company has failed to spend the two per cent of the average net profit of the last three financial years or any part thereof, the company shall provide the reasons for not spending the amount in its Board report : The reasons for the unspent amount has been given in the Boards report and the management has decided that all unspent amount will be utilized in the coming year.
3. A responsibility statement of the CSR committee that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the company :

The Company has received a declaration from the Chairman of the CSR Committee stating that the implementation and monitoring of the CSR Policy is in compliance with the CSR objectives and Policy adopted by the Company.

Sd/-
Shri Vijay Kumar Jatia
(Chairman CSR Committee)

FORM NO. AOC.2

Form for disclosure of particulars of contracts/arrangements entered into by the Company with related parties referred to in sub-section (1) of Section 188 of the Companies Act, 2013 including certain arms length transactions under third proviso thereto

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

1. Details of contracts or arrangements or transactions not at arm's length basis

There are no such transactions or arrangements or contacts with Related Parties which were not at arm's length basis during the period under review.

2. Details of material contracts or arrangement or transactions at arm's length basis

Sr. No.	Name(s) of the related Party and nature of relationship	nature of the transaction/ contract/ arrangement	Duration of the contract/ transaction	Salient terms of the contract/arrangement/ transaction including the value, if any	Date(s) of the approval by Board, if any	Amount paid as advance, if any
1	Shri. Sidhant Jatia son of Shri. Vijay Kumar Jatia, Chairman and Managing Director and Smt. Gauri Jatia, Director	Remuneration paid to the President of the Company	During the period under review	The remuneration paid to President of the Company for the period of 3 years w.e.f 1 st October, 2014	18.10.2014 and passed through special Resolution at EOGM held on 9.12.2014	₹ 46,44,600*
2	Shri. Mudit Jatia son of Shri. Vijay Kumar Jatia, Chairman and Managing Director and Smt. Gauri Jatia, Director	Remuneration paid to the President of the Company	During the period under review	The remuneration paid to President of the Company for the period of 3 years w.e.f 1 st October, 2014	18.10.2014 and passed through special Resolution at EOGM held on 9.12.2014	₹ 46,44,600*
3	Modern International (Asia) Limited- 100% Subsidiary of Modern India Limited	Agency Agreement	With effect from 1.04.2014	Agreement providing Agency Agreement to Indian Overseas Bank	18.10.2014	0.5% on total gross sale value
4	Modern International (Asia) Limited- 100% Subsidiary of Modern India Limited	Guarantee given	With effect from 1.04.2014	Agreement providing Corporate Guarantee to Indian Overseas Bank	30.10.2015	US \$ 5.60 Million
5	Modern India Property Developers Limited 100% Subsidiary of Modern India Limited	Loan Given and Interest Received		Investment	18.10.2014	₹ 1,45,32,277*

6	Shri Vedant Jatia, Director of Buildmat Infra India Private Limited; son of Shri. Vijay Kumar Jatia, Chairman and Managing Director and Smt. Gauri Jatia, Director	Sale of Computer	Immediate effect from date of Board Approval	Sale of Computer	30.10.2015	₹24,149*
		Sale of Printer	Immediate effect from date of Board Approval	Sale of Printer	30.10.2015	₹ 9,507*
		Handed over the possession of Flat of company in Lodha Bellissimo on 1 st , December, 2015	-	The possession of Flat in Lodha Bellissimo was handed over to the Licensor	30.10.2015	₹ 7,80,000
7	*Shri. Vijay kumar Jatia husband of Smt. Gauri Jatia	Payment of Salary	During the year under review	Payment of salary	Passed through Special Resolution at the AGM dt:08.08.2015	₹ 83,50,025 *
8	Smt. Gauri Jatia wife of Shri. Vijay Kumar Jatia	Payment of Sitting fees	During the year under review	Payment of sitting fees for being non-executive Director	25.10.2013	₹2,40,000*
9	Shri Nawal Kishore Deora Sr Vice President and Chief Financial Officer	Remuneration paid to the KMP Company	During the period under review	The remuneration paid KMP of the Company	11.05.2015	₹ 28,14,407*
10	Shri Parind Badshah Vice President and Company Secretary	Remuneration paid to the KMP Company	During the period under review	The remuneration paid KMP of the Company	11.05.2015	₹ 24,71,500*

***Actual amount**

Shri Vijay Kumar Jatia has been reappointed for a further period of three (3) years up to 31.07.2018 by the Board of Directors at their meeting held on 11th May, 2015 as Managing Director with effect from 1st August, 2015 and the Members at the 81st Annual General Meeting held on 08.08.2015. Shri. Vijay Kumar Jatia is being paid remuneration upto ₹ 84 lacs per annum as was sanctioned by Central Government in his earlier tenure.

The Company has applied to the Central Government for payment of remuneration to Shri Vijay Kumar Jatia based on the recommendation of the Nomination and Remuneration Committee which was approved by the Board and the Members of the Company.

Sd/-

Vijay Kumar Jatia

Chairman and Managing Director

ANNEXURE – 5
Information under section 197 of the Act read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

- a) The ratio of the Remuneration of each Director to the median Remuneration of the employees of the Company for the financial year.

Directors are entitled to sitting fees and commission. However it may be noted that the directors were not paid commission in the last two financial years. The median remuneration is Rs.5.65 lacs.

- b) The percentage increase in Remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year.
- c) Comparison of the Remuneration of each Key Managerial Personnel against the performance of the Company. (Rs in lakhs)

KMP	Remuneration in 2015-16 (₹ in lacs)	Remuneration in 2014-15 (₹ in lacs)	% increase of remuneration in 2016 as compared to 2015	Ratio to median Remuneration	Ratio of 2015/16 Remuneration to	
					Revenue	Net Profit After tax
Shri.Vijaykumar Jatia Chairman & Managing Director	83.50	84.00	-0.60	14.78	0.010	6.08
Shri.Nawalkishore Deora Sr.Vice-President & CFO	30.00	27.00	11.11	5.31	0.004	2.18
Shri.Parind Badshah Vice-President & CS	26.50	24.50	8.16	4.69	0.003	1.93

- d) The percentage increase in the median remuneration of employees in the financial year was 8 %
- e) The number of permanent employees on the rolls of the Company were 28 in number.
- f) The explanation on the relationship between average increase in remuneration and the Company performance - Salaries have increased according to industry standards however the performance of the Company has been affected due to strategic decisions as explained in the Board Report.
- g) Comparison of the Remuneration of the Key managerial Personnel (KMP) with regard to the performance of the Company:

Particulars	₹ in Lacs
Aggregate remuneration of KMPs in 2015/16	140
Full year revenue	8053.37
% to revenue	1.74
Profit after tax	13.74
% to Profit after tax	1019

- h) variations in the market capitalization of the company, price earnings ratio as at the closing date of the current financial year and previous financial year and percentage increase over decrease in the market quotations of the shares of the company in comparison to the rate at which the company came out with the last public offer

The market capitalisation of the Company as at March 31, 2016 is ₹ 183 crores as compared to ₹ 204 crores as at March 31, 2015 decrease of 10.29% during the year under review. The price earning ratio for the year 2016 is 1225 as compared to (82.51) for the year 2015.

- i) Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration;
There was a decrease of 2% in the average percentile due to the loss incurred in the year 2014-15
- j) the key parameters for any variable component of remuneration availed by the directors;
No variable component in the remuneration availed by Directors
- k) the ratio of the remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess of the highest paid director during the year;
No employee receives remuneration in excess of the highest paid director.
- l) Affirmation that the remuneration is as per the remuneration policy of the company.
The Remuneration paid is as per the remuneration policy adopted by the Company.

STATEMENT SHOWING DETAILS OF EMPLOYEES OF THE COMPANY:

(i) designation of the employee;	Mr Vijay Kumar Jatia Chairman and Managing Director
(ii) remuneration received;	₹ 83,50,025/-
(iii) nature of employment, whether contractual or otherwise;	3 years contract
(iv) qualifications and experience of the employee;	B. Com – 41 years experience
(v) date of commencement of employment;	30.12.1994
(vi) the age of such employee;	58 years
(vii) the last employment held by such employee before joining the company;	Pudumjee Pulp & Paper Industries Ltd.
(viii) the percentage of equity shares held by the employee in the company within the meaning of clause (iii) of sub-rule (2) above; and	0.24%
(ix) whether any such employee is a relative of any director or manager of the company and if so, name of such director or manager:	Smt Gauri Jatia, Director is the wife of Shri Vijay Kumar Jatia and Shri Sidhant Jatia, President and Shri Mudit Jatia, President are the sons of Shri Vijay Kumar Jatia.
The employee, if employed throughout the financial year, was in receipt of remuneration for that year which, in the aggregate, was not less than sixty lakh rupees;	Yes
The employee, if employed for a part of the financial year, was in receipt of remuneration for any part of that year, at a rate which, in the aggregate, was not less than five lacs rupees per month;	NA

The employee, if employed throughout the financial year or part thereof, NA was in receipt of remuneration in that year which, in the aggregate, or as the case may be, at a rate which, in the aggregate, is in excess of that drawn by the managing director or whole-time director or manager and holds by himself or along with his spouse and dependent children, not less than two percent of the equity shares of the company.

*Shri Vijay Kumar Jatia has been reappointed for a further period of three (3) years up to 31.07.2018 by the Board of Directors at their meeting held on 11th May, 2015 as Managing Director with effect from 1st August, 2015 and the Members at the 81st Annual General Meeting held on 08.08.2015. Shri. Vijay Kumar Jatia is being paid remuneration upto ₹ 84 lacs per annum as was sanctioned by Central Government in his earlier tenure.

The Company has applied to the Central Government for payment of remuneration to Shri. Vijay Kumar Jatia based on the recommendation of the Nomination and Remuneration Committee which was approved by the Board and the Members of the Company.

STATEMENT SHOWING DETAILS OF EMPLOYEES OF THE COMPANY DRAWING REMUNERATION MORE THAN ₹ 60 LACS PA.

NAME OF THE EMPLOYEE	DESIGNATION/ NATURE OF DUTIES	NATURE OF EMPLOYMENT	GROSS REMUNERATION	QUALIFICATIONS	EXPERIENCE	DATE OF COMMENCEMENT OF EMPLOYMENT	AGE	LAST EMPLOYMENT HELD	% OF EQUITY SHARES HELD
			(₹)		(YRS)		(YRS)		
EMPLOYED THROUGHOUT THE YEAR									
VIJAY KUMAR JATIA	CHAIRMAN AND MANAGING DIRECTOR	CONTRACT AS PER RESOLUTION PASSED AT AGM	83,50,025	BCOM	41	30.12.1994	58	PUDUMJEE PULP & PAPER INDUSTRIES LTD.	0.24%

Note : Chairman and Managing Directors employment is contractual and terminable on each side, other terms of employment as per the rules of the company.

Gross Remuneration includes salary, allowances, commission, monetary value of perquisites, leave travel allowance and company's contribution to provident fund and super annuation funds

Age, experience and qualifications is as on 31st March, 2016.

Smt Gauri Jatia, Director is wife of Shri Vijay Kumar Jatia and Shri Sidhant Jatia, President and Shri Mudit Jatia, President are sons of Shri Vijay Kumar Jatia and they are all related.

*Shri Vijay Kumar Jatia has been reappointed for a further period of three (3) years up to 31.07.2018 by the Board of Directors at their meeting held on 11th May, 2015 as Managing Director with effect from 1st August, 2015 and the Members at the 81st Annual General Meeting held on 08.08.2015. Shri. Vijay Kumar Jatia is being paid remuneration upto ₹ 84 lacs per annum as was sanctioned by Central Government in his earlier tenure.

The Company has applied to the Central Government for payment of remuneration to Shri Vijay Kumar Jatia based on the recommendation of the Nomination and Remuneration Committee which was approved by the Board and the Members of the Company.

REPORT ON CORPORATE GOVERNANCE

As per SEBI(Listing Obligation And Disclosure Requirement) Regulations, 2015

At Modern India Limited, we believe in best management practices, compliance of law in true letter and spirit, adherence of ethical standard for effective management and distribution of wealth and discharge of social responsibility for sustainable development of all stakeholders. In keeping with our commitment to ensure compliance our Company has adopted in letter and spirit the new Regulations and is striving to be compliant in all aspects.

The Corporate Governance report for the year ended 31st March, 2016 is 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. The Company has the commitment to do business with strong corporate governance and openness by working across all organizational boundaries and strives to break down internal barriers and accept the accountability for their own actions and results.

The Board of Director acknowledges that it has a fiduciary relation and a corresponding duty towards the stakeholders to ensure that their rights are protected. Through the Governance mechanism in the Company, the Board along with its Committees endeavours to strike a right balance with various stakeholders.

II. BOARD OF DIRECTOR

Composition of Board

The current strength of the Board of Director of the Company is Seven. The Board has an optimum combination of executive and non-executive director. The Chairman and Managing Director is an executive director while other director are non-executive director. Except two non-executive director the rest are Independent Directors. This combination helps the Company to take benefit of the experience and expertise of the directors, in their core area of competence. There are no nominee director on the Board of the Company. The Board has an Executive Chairman and the number of Independent Director is more than half of the total strength of the Board.

The Company has complied with the requirements of Regulation 17 SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015 and the Companies Act 2013 with regards to the composition of the Board.

Board Meetings and attendance

During the year Five Meetings of Board were held viz; on 11th May, 2015, 08th August, 2015, 21st August, 2015, 30th October, 2015, and 06th February, 2016 and the gap between two Board meetings was not exceeding 120 days.

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:

Names of the Director	Category	No. of other Directorship #	No. of Other Committees @		No. of Board Meetings Attended	Last AGM Attendance (Yes/No)
			Chairman	Memberhip		
Shri. Vijaykumar Jatia	Promoter Executive	3	-	2	5	Yes
Shri. Anand Didwania	Independent Non Executive	1	1	-	5	Yes

Shri. Rajas. Doshi	Independent Non Executive	6	1	7	5	Yes
Shri. P. K. Bubna	Non-Independent Non Executive	1	-	1	4	No
Smt. Gauri Jatia	Promoter Non Executive	1	-	-	5	Yes
Dr. Shivkumar Israni	Independent Non Executive	4	-	-	5	Yes
Shri. Kaiwan Kalyaniwalla	Independent Non Executive	4	1	2	5	Yes

Excluding foreign companies and companies registered under Section 8 of the Companies Act, 2013 and Private Companies.

@ Committee includes Audit Committee and Stakeholders Relationship Committee.

Director who could not attend the meetings had obtained leave of absence from the Board/Committee.

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 Schedule II of the SEBI (Listing Obligation and Disclosure Requirements) Regulation, 2015 is regularly made available to the Board.

To enable the Board to discharge its responsibilities effectively, the Member 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 Company provides video conferencing facility to the Board of Director of the Company to ensure their presence in case of their not being able to attend the meeting personally.

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, legal issues, approval of capital expenditure and write-offs are considered by the Board.

The Board takes on record the declaration made by the Chairman and Managing Director, the Chief Financial Officer and Company Secretary regarding compliances of all laws on quarterly basis.

The draft minutes of the Board / Committee Meetings are circulated well within the time permitted as per the Secretarial Standards to all Director and the same are confirmed at the subsequent Meeting.

DISCLOSURE OF RELATIONSHIP BETWEEN DIRECTOR INTER-SE:

The Chairman and Managing Director is related to Smt. Gauri Jatia who is also the promoter of the Company. Furthermore, the Presidents Shri. Sidhant Jatia and Shri. Mudit Jatia are related to the Shri Vijay Kumar Jatia, Chairman and Managing Director and Smt. Gauri Jatia.

There is no other relationship between the Director.

III. AUDIT COMMITTEE

Terms of reference

The terms of reference of the Audit Committee are wide enough to cover the matters specified in Regulation 18 read with Part C of Schedule II of the SEBI (Listing Obligation and Disclosure Requirements) Regulation, 2015 as well as in Section 177 of the Companies Act, 2013. 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 Audit Committee was constituted in January, 2001 and has been reconstituted from time to time. The current strength of the Audit Committee is four Member. All the Members of the Audit Committee are Non-Executive Directors. Two-thirds of the Member of the Committee are Independent directors. All the Member 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 Committee, representatives from various divisions of the Company, internal Auditors, statutory Auditors and Chief Financial Officer also attend the Audit Committee meetings to respond to queries raised at the Committee meetings. Shri. Parind Badshah, Vice President & Company Secretary acts as the Secretary to the Audit Committee.

During the year under review Four meetings were held on 11th May, 2015, 08th August, 2015, 30th October, 2015 and 06th February, 2016 and the gap between two meetings did not exceed 120 days.

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 Rajas R. Doshi	Member	Non-executive Independent Director	4
Dr. Shivkumar Israni	Member	Non-Executive Independent Director	4
Shri Pradip Kumar Bubna	Member	Non-executive Non-Independent Director	3

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 quarterly report of the Internal Auditors is reviewed by the Audit Committee.

Vigilance Mechanism:

The Company has established a mechanism called 'Whistle Blower Policy' for employees to report to the management, the instances of unethical behavior, actual or suspected fraud or violation of the company's code of conduct or ethics policy. All Employees of the Company are eligible to make Protected Disclosures under the Policy. The Protected

Disclosures may be in relation to matters concerning the Company or its subsidiaries. The detailed Policy can be viewed on the website of the Company <http://modernindia.co.in/pdf/Whistleblower%20policy.pdf>

IV. NOMINATION AND REMUNERATION COMMITTEE:

Composition, Meeting and Attendance

The Nomination and Remuneration Committee was constituted in April, 2002 and has been reconstituted from time to time and the terms of reference of the Nomination and Remuneration Committee are wide enough to cover the matters specified in Regulation 18 read with Part D of Schedule II of the SEBI (Listing Obligation and Disclosure Requirements) Regulation, 2015. Currently, the Committee comprises of four director of which three are Independent Non-executive director. The Nomination and Remuneration Committee comprises of Shri. Rajas R Doshi (Chairman), Shri. Anand Didwania, Dr. Shivkumar Israni and Shri. Vijay Kumar Jatia, Chairman and Managing Director of the Company who was appointed as a member of the Committee in the Board Meeting of the Company held on 11th May, 2015.

The terms of reference of the Nomination and Remuneration Committee include reviewing and recommending the terms of remuneration payable to the Executive Director and the Key Managerial Personnel (KMPs). The Committee also evaluates the performance of the Board of Directors.

Shri. Parind Badshah, Vice President & Company Secretary acts as the Secretary to the Nomination and Remuneration Committee

During the year under review one meeting was held on 11th May, 2015. The meeting was attended by all the Members of the Committee.

Details of Remuneration/Sitting Fees paid to the Director:-

The Managing Director is receiving remuneration as per the sanction accorded by the Member of the Company (the details given in Note No. 34 to the Accounts). It is to be noted that tenure of Shri VijayKumar Jatia as Managing Director ended on 31st July, 2015 and he was re-appointed as Chairman and Managing Director with effect from 1st August, 2015 for a further period of three year at a remuneration of ₹ 1.80 crores per annum, Company has made necessary application to the Central Government for approval of payment of this remuneration. However till date the said approval has not been received and in view of non receipt of approval, Shri. Vijay Kumar Jatia is being paid remuneration upto ₹ 84 lacs per annum as was sanctioned by Central Government in his earlier tenure. The non-executive director gets sitting fees of ₹ 40,000/- for every meeting of the Board /Committee.

Details of the sitting fees paid to non-executive Director during the financial year 2015-2016

Name of the Director	Board Meeting	Audit Committee meeting	Nomination and Remuneration committee Meeting	Stakeholder Relationship committee Meeting	Corporate Social Responsibility Committee Meeting	Risk Management Committee Meeting	Independent Director Committee Meeting	Total
Shri. A Didwania	200000	160000	40000	NIL	NIL	NIL	40000	440000
Shri. R Doshi	200000	160000	40000	40000	NIL	NIL	40000	480000
Shri. P Bubna	160000	120000	NIL	40000	40000	NIL	NIL	360000
Smt. G Jatia	200000	NIL	NIL	NIL	40000	NIL	NIL	240000
Shri. S. D Israni	200000	160000	40000	NIL	NIL	40000	40000	480000
Shri. K.Kalyaniwalla	200000	NIL	NIL	NIL	40000	40000	40000	320000

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

Sr. No.	Name of the Director	Sitting Fees	No of Shares	Commission
1	Shri Anand Didwania	440000	-	-
2	Shri Rajas R. Doshi	480000	-	-
3	Shri Pradip Kumar Bubna	360000	1230	-
4	Smt. Gauri Jatia	240000	17850	-
5	Dr. Shivkumar Israni	480000	-	-
6	Shri Kaiwan Kalyaniwalla	320000	-	-

REMUNERATION POLICY:

Salient Features of the Remuneration Policy:

1. To guide the Board in relation to appointment and removal of Director, Key Managerial Personnel (KMP) and Senior Management Personnel one level below the Board and other employees.
2. To formulate criteria for evaluation of the Director and the Board.
3. To recommend to the Board on remuneration payable to the Director, KMP and Senior Management Personnel one step below the Board and other employees.
4. To provide to KMP and Senior Management reward linked directly to their effort, performance, dedication and achievement relating to the Company's operations.
5. To retain, motivate and promote talent and to ensure long term sustainability of talented managerial persons and create competitive advantage.
6. To devise a policy on Board divdrity.

Criteria on Performance evaluation:

The Nomination and Remuneration Committee has finalized the criteria on the basis of which the Board as whole is evaluated and the Independent Director have formulated the criteria based on which the Chairman and other non-Executive Director are evaluated. The main criteria are as follows:

- a) Attendance / Presence at Meetings of the Board and Committees.
- b) Well prepared on the issues to be discussed.
- c) Provide meaningful and constructive contribution and inputs in meetings.
- d) Display Independent judgment.
- e) Built effective working relationships with other Board Member.
- f) Accessible to the senior management of the Company and have built effective working relationships with them.
- g) Provide a good degree of direction/guidance to senior management outside of meetings.
- h) Display a good degree of understanding of the company, industry, sector, geography (including risks, current operational and environment context, emerging trends).

V. STAKEHOLDERS RELATIONSHIPS COMMITTEE

Composition, Meeting and Attendance

The Stakeholders Relationships Committee was constituted in January, 2002 and has been reconstituted from time to time and the terms of reference of the Stakeholder Relationship Committee are wide enough to cover the matters specified in Regulation 18 read with Part D of Schedule II of the SEBI (Listing Obligation and Disclosure Requirements) Regulation, 2015. The Committee comprises of three director; one of them being independent Director. Shri. Rajas R. Doshi is the Chairman of the Stakeholder/Investors' Grievances Committee. Shri. Parind Badshah, Vice-President & Company Secretary acts as Secretary to the Committee.

During the year, the Committee met once, on 30th October, 2015. 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. Vijaykumar Jatia	Member	Executive Director	1
Shri. Pradip Kumar Bubna	Member	Non-Executive Director	1

Sr. No.	Nature of Complaint	Number of Complaints received	Resolved during the year	Number of Complaints pending
1.	Regarding Annual Report	NIL	NIL	NIL
2.	Revalidation of dividend Warrant	NIL	NIL	NIL
3.	Issue of duplicate share certificate	NIL	NIL	NIL
4.	Procedure for transmission	NIL	NIL	NIL
5.	*General Queries	1	1	NIL
6.	Non receipt of Dividend	NIL	NIL	NIL
7.	Correction in share certificate	NIL	NIL	NIL
8.	Change in address	NIL	NIL	NIL
9.	Unclaimed Dividend	NIL	NIL	NIL
10.	Correction in dividend Cheques	NIL	NIL	NIL
	TOTAL	1	1	NIL

*In the 2nd quarter ended 30th September, 2015 the Company had received one complaint from shareholder for non receipt of dividend through NECS/RTGS which was paid by physical Dividend Warrant as said Shareholder's account number was incomplete in the DP account. The complaint was satisfactorily resolved.

VI. MEETING OF INDEPENDENT DIRECTOR:

The Independent Director of the Company met once during the year on 23rd March, 2016 to review the performance of non-independent Director and Chairman of the Company and had accessed the quality, quantity and timeliness of flow of information between the Company management and the Board.

The Company conducts the familiarization programmes for Independent Director of the Company as and when required in which, detailed presentations and allied activities are conducted.

VII. CORPORATE SOCIAL RESPONSIBILITY COMMITTEE:

Composition, Meeting and Attendance

The Corporate Social Responsibility Committee was constituted in May, 2014. The Committee comprises of four

directors one of them being independent and Non-executive. Shri. Vijay Kumar Jatia is the Chairman of the Corporate Social Responsibility Committee. Shri.Parind Badshah, Vice-President & Company Secretary acts as Secretary to the Committee.

During the year, the Committee met once, on 11th May 2015 in which all the Member were present. The Committee acts within the terms of reference stated in the Corporate Social Responsibility Policy; the same can be viewed on the website of the Company <http://modernindia.co.in/PDF/Policy%20on%20Corporate%20Social%20Responsibility.pdf>

Composition	Designation	Category of Directorhip	Attendance in Meetings
Shri. Vijay Kumar Jatia	Chairman	Managing Director	1
Shri. Kaiwan Kalyaniwalla	Member	Non-executive Independent Director	1
Smt. Gauri Jatia	Member	Non-Executive Director	1
Shri. Pradip Kumar Bubna	member	Non-Executive Director	1

VIII. RISK MANAGEMENT COMMITTEE:

Composition, Meeting and Attendance

The Company recognizes that the risk is an integral and unavoidable component of business and is committed to managing the risk in proactive and effective manner. The Company believes that risk may not be fully eliminated, however, it can be controlled or transferred or reduced or shared, etc.

In the Today's Challenging and competitive environment, strategies for mitigating inherent risks in accomplishing the growth plans of the Company are imperative. The common risks inter alia are changing regulations, competition, business risks, technology obsolescence, investment risks, and retention of talent and expansion of facilities. For managing risks more efficiently, the Company has constituted the Committee on Risk Management in October, 2014. (though not applicable to our Company as it is applicable to top 100 companies as per listing regulations but as a good practice we have adopted and constituted this committee).

The Committee comprises of three director viz

- a) **Shri. Vijay Kumar Jatia - Chairman**
- b) **Shri. S.D. Israni - Member**
- c) **Shri. Kaiwan Kalyaniwalla - Member**

Shri. Parind Badshah, Vice President and Company Secretary acts as Secretary to the Committee.

During the year, the Committee met once on 11th May, 2015. The Board of Director has framed the Risk Management Policy stating Roles and Responsibilities and delegation power for monitoring and reviewing the Risk Management plan for the Committee to follow. The attendance of the Committee Meeting is as follows:

Composition	Designation	Category of Directorhip	Attendance in Meetings
Shri. Vijay Kumar Jatia	Chairman	Managing Director	1
Shri. Kaiwan Kalyaniwalla	Member	Non-executive Independent Director	1
Shri. S.D. Israni	Member	Non-executive Independent Director	1

IX ANNUAL GENERAL MEETINGS/EXTRA-ORDINARY GENERAL MEETING:

Details of Last Three Annual General Meetings/Extra-Ordinary General Meeting are given hereunder:

Financial Year	Date of Meeting	Time	Location
2014-2015	08.08.2015	4.00 p.m	Kamalnayan Bajaj Hall, Bajaj Bhavan, Nariman Point, Mumbai-400021
2014-15*EOGM	09.12.2014	4.00 p.m.	Modern Centre, Sane Guruji Marg, Mahalaxmi, Mumbai – 400011
2013-2014	23.07.2014	4.00 p.m.	Modern Centre, Sane Guruji Marg, Mahalaxmi, Mumbai – 400011
2012-2013	23.07.2013	4.00 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	Section under the Companies Act, 1956/2013	Particulars
1	79th AGM 2012-2013	31	Insertion of new Article 135A Permanent Director and Chairman
		314	Consent to the increase in the remuneration within the prescribed limits of Shri Sidhant Jatia, Executive of the Company, a relative of the Director
2	80th AGM 2013-2014	149,152	Appointment of the Independent Director of the Company Shri. Rajas Doshi, Shri. Anand Didwania, Shri. Dilip Thakkar, Shri. Shivkumar Israni, Shri. Kaiwan Kalyaniwalla (passed as ordinary resolution)
3	EOGM HELD ON 9th December, 2014	188	Consent for promotion and increase in remuneration of Shri. Sidhant Jatia and Shri. Mudit Jatia
	Postal Ballot 2nd August, 2014	180(1)(c)180(1)(a) 186	Increasing borrowing limits, Creation of charge, Sale of Undertaking/Dispose off asset of the Company, Loans and Investments of the Company
4	81st AGM 2014-2015	196 and 197 read with Schedule V	Reappointment of Shri Vijaykumar Jatia as the Managing Director of the company for further period of 3 year with effect from 1 st August, 2015 and payment of remuneration to him.
		198	Approval of payment of commission to non executive director and independent director for a further period of five year.

During the year no Resolutions were passed through Postal Ballot.

X. SUBSIDIARY COMPANIES

The Company has four Subsidiaries of which one is a Foreign Subsidiary Company incorporated in Hong Kong and has three Indian Subsidiary Companies. The Company has **TWO** material non-listed Indian subsidiaries 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. Shri Anand Didwania, Independent Director was appointed on the Board of Director of Modern India Property Developers Limited a wholly owned subsidiary of Modern India Limited, since 16th July, 2010 and Dr Shivkumar Israni, Independent Director was appointed as a Director in Verifacts Services Private Limited w.e.f. 4th February, 2014.

The Company has framed the Policy on determination of material Subsidiary and the Board of Director and Audit Committee acts within purview of the terms and conditions stated therein. The policy on determination of Material Subsidiary can be viewed on the website of the Company <http://modernindia.co.in/pdf/Policy%20on%20Material%20Subsidiary.pdf>

Details of the Company's Wholly Owned Subsidiary Companies (WOS)/ Subsidiary as on March 31, 2016 are as under:

Name of the WOS/ Subsidiary	Date of becoming WOS/Subsidiary	Country in which Incorporated
<u>Foreign Subsidiary:</u> Modern International (Asia) Limited - Hongkong (WOS)	August 2, 2004	Hong Kong
<u>Indian Subsidiary:</u> 1. Modern India Property Developers Ltd. – (WOS) 2. Modern India Free Trade Warehousing Pvt. Ltd. 3. Verifacts Services Private Limited	September 7, 2000 July 4, 2008 February 4, 2014	India 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 the 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 are placed before the Company's Board;
- c) Independent director of the Company have been appointed as director on the Board of the Indian wholly owned subsidiary/subsidiaries.
- d) Investments made or any dis-investment made by the Subsidiary Company is reviewed by the Audit Committee of the Holding Company and the same is also placed before the Board of Director of the Holding Company.

XI. DISCLOSURES

- a) All the related party transactions arising in the ordinary course of business were placed periodically before the audit committee in summary form. The Related Party Transactions are disclosed in Note No36. There **WERE NO** material individual transactions with related parties which were not in the ordinary course of business. 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 Director. These procedures are periodically reviewed to ensure that the 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 not applicable for compliance by the Company.
- e)
 - i) All pecuniary relationship or transactions of the non-executive Director vis-à-vis the Company have been disclosed in **item IV** of this report;
 - ii) The Company has only one Managing Director, whose appointment and remuneration has been fixed by the Board on the recommendation of the Nomination and Remuneration Committee duly approved by the Member and approval by the Central Government for payment of remuneration is awaited.

Managing Director's Remuneration (in ₹.)

i) Salary	55,20,000
ii) Contribution to Provident Fund	6,62,400
iii) Perquisites	21,67,625
iv) Commission	-
TOTAL	83,50,025

(iii) The service of the Managing Director is on contractual basis for a period of three (3) year up to 31.07.2018. Shri Vijay Kumar Jatia was re-appointed by the Board of Director at their meeting held on 11th May, 2015, for a further period of 3 year as Managing Director with effect from 1st August, 2015 and the Member at the 81st Annual General Meeting held on 08th August, 2015.

- 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 Regulations 34 of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015
- g) There is no material financial and commercial transactions by Senior Management as defined in Regulation 26(5) SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 of the 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 Director of the Company.
- h) The Company has filed e-form CG - 1 with MCA for delayed filing of e-form MGT -14.
- i) No penalty 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 year.

XII. DISCLOSURE TO SHAREHOLDERS REGARDING APPOINTMENT OR RE-APPOINTMENT OF THE DIRECTOR

Details of director seeking re-appointment as Rotational Director at the ensuing Annual General Meeting fixed on Friday, the 22nd July, 2016.

Name of Director	Date of Birth	Date of Appointment	Qualifications	Expertise in specific functional area	List of Other Directorships held excluding foreign companies, Companies under sec 8 of the Companies Act, 2013 & Private Companies	Chairman/Member of the committees of the Board of other Companies in which he/she is a Director	Company's Shares held (No. of Shares)
Smt. Gauri Jatia	13.05.1958	29.04.2002	B.A	Business	Shree Rani Sati Investment and Finance limited	Shree Rani Sati Investment and Finance Limited- Audit Committee-Member	17850 Equity Shares

XIII. MEANS OF COMMUNICATION

- a) **Quarterly, Half Yearly and Annual Results:** Quarterly, Half Yearly and Annual results were published in Financial Express, Mint and Mumbai Lakshadweep and the same were displayed on the website of the Company.
- 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) **Website:** The Company's website www.modernindia.co.in contains a separate section on "Investor Relations"

where shareholders information is available. The information pertaining to Financial Results, Shareholding Pattern, Corporate Governance and the Annual Report and the Policies and Code of Conduct 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, Boards Report, Auditors' Report and other important information is circulated to the Member and others entitled thereto.
- e) **BSE Website:** Annual Report, Quarterly Results, Shareholding Pattern, etc. of the Company were also uploaded on the BSE website www.bseindia.com.

XIV. CODE OF BUSINESS CONDUCT AND ETHICS FOR DIRECTOR AND SENIOR MANAGEMENT

The Board at its meeting held on 11th May, 2015 adopted the revised Code of Business Conduct and Ethics for Director and Senior Management ('the Code'). The Code is a comprehensive Code applicable to all Director, Executive as well as Non-Executive and also to the Member 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 Director 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."

A copy of the Code is available on the Company's website http://modernindia.co.in/pdf/Code%20of%20Conduct_2015.pdf The Code has been circulated to all the Member of the Board and Senior Management and the compliance of the same has been affirmed by them. The said code is revised from time to time to comply with the change in statues and regulations.

Pursuant to Regulation 34(3) and 53(f) read with schedule V of SEBI(Listing Obligations and Disclosure Requirements Regulations, 2015 a declaration signed by the Chairman & Managing Director has been given below:

I hereby confirm that:

The Company has obtained from all the Member of the Board and Senior Management, affirmation that they have complied with the Code of Business Conduct and Ethics for Director and Senior Management in respect of financial year 2015-16.

Sd/-

Vijay Kumar Jatia

Chairman & Managing Director

XV. GENERAL SHAREHOLDER INFORMATION

AGM: Date, time and venue	Friday, the 22 nd July, 2016 at 4.00 p.m. at the M.C.Ghia Hall, 4 th Floor, K.Dubash Marg, Kala Ghoda, Mumbai-400 001
Financial Calendar (Tentative)	Unaudited Financial Results for quarter ending 30 th June, 2016 On or before 14 th August, 2016
Unaudited Financial Results for quarter ending 30 th September, 2016	On or before 14 th November, 2016
Unaudited Financial Results for quarter ending 31 st December, 2016	On or before 14 th February, 2017
Results for the year ending 31 st March, 2017	Audited Financial Results - on or before 30 th May, 2017
Date of Book closure	From 09.07.2016 to 22.07.2016 (Both days inclusive), for payment of dividend, if any and 82 nd Annual General Meeting.

Dividend Payment Date	On or Before. 26.07.2016
Listing on Stock Exchanges	The Bombay Stock Exchange Limited, Mumbai. The Company has paid the Listing Fees for the year 2016-2017 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 E-mail id: service@satellitecorporate.com

Share Transfer System:

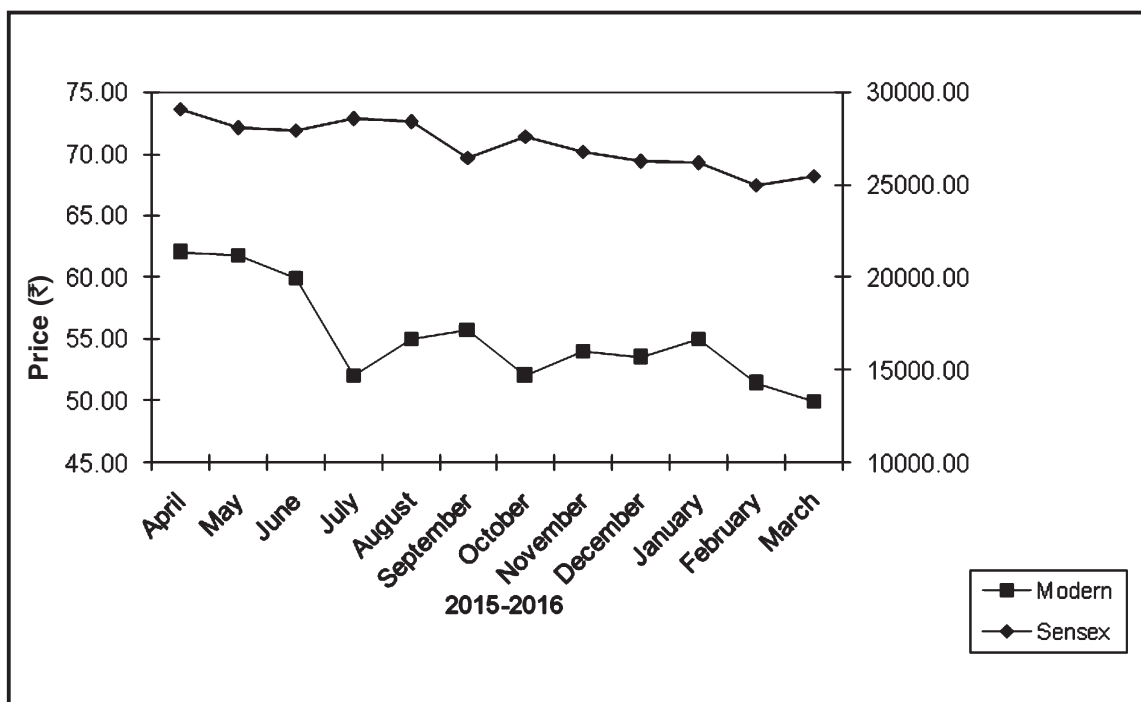
All the applications for transfer of shares in physical form are first processed by the Company's Share Transfer Agents M/s Satellite Corporate Services Pvt. Ltd. Thereafter the same are approved by the Managing Director/Company Secretary. The duly approved transfers are registered and the relevant certificates 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 as approved by the Managing Director/Company Secretary is placed at every Board Meeting. The Company obtains from the Company Secretary in Practice half-yearly certificate of compliance with regards to share transfer/transmission, deletion of name, etc. under Regulation 40(9) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

Stock Market Data:

MONTHS	High(₹)Stock Price	Low(₹)Stock Price	High(₹)BSE Sensex
APRIL,2015	62.00	50.00	29094.61
MAY,2015	61.80	45.60	28071.16
JUNE,2015	60.00	45.00	27968.75
JULY,2015	52.05	45.00	28578.33
AUGUST,2015	55.00	46.05	28417.59
SEPTEMBER,2015	55.75	51.00	26471.82
OCTOBER,2015	52.00	46.55	27618.14
NOVEMBER,2015	54.00	50.35	26824.30
DECEMBER,2015	53.50	45.85	26256.42
JANUARY,2016	55.00	43.70	26197.27
FEBRUARY,2016	51.40	44.65	25002.32
MARCH,2016	50.00	43.00	25479.62

Source: BSE website



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

Distribution of shareholding as on 31st March, 2016

Sr. No.	Shareholding of Nominal Value ₹	Number of Shareholders	Percentage	Face Value Amount in ₹	Amount in Percentage
1	Up to 2500	3134	91.26	1637678	2.18
2	2501 to 5000	163	4.75	602308	0.80
3	5001 to 10000	63	1.83	416668	0.55
4	10001 to 20000	36	1.05	506014	0.67
5	20001 to 30000	11	0.32	278944	0.37
6	30001 to 40000	3	0.09	106648	0.14
7	40001 to 50000	0	0.00	0	0.00
8	50001 to 100000	5	0.15	355994	0.47
9	100001 and above.	19	0.55	71181246	94.80
TOTAL		3434	100.00	75085500	100.00

Statement Showing Shareholding Pattern 31.03.2016

SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)									
Category-wise share holding									
MODERN INDIA LTD									
Category of Shareholder	No of shares held at the beginning of the year (as on 01.04.2015)				No of shares held at the beginning of the year (as on 31.03.2016)				% Change during the year (9-5)
	Demat	Physical	Total	% of total shares	Demat	Physical	Total	% of total shares	
1	2	3	4	5	6	7	8	9	10
Promoters									
Indian									
Individuals / Hindu									
Undivided Family	152855	0	152855	0.41	152855	0	152855	0.41	0.00
Central Government	0	0	0	0.00	0	0	0	0.00	0.00
State Governments(s)	0	0	0	0.00	0	0	0	0.00	0.00
Bodies Corporate	28004207	0	28004207	74.59	28004207	0	28004207	74.59	0.00
Financial Institutions / Banks	0	0	0	0.00	0	0	0	0.00	0.00
Any other (specify)	0	0	0	0.00	0	0	0	0.00	0.00
Directors & their relatives	0	0	0	0.00	0	0	0	0.00	0.00
Sub-Total (A) (1)	28157062	0	28157062	75.00	28157062	0	28157062	75.00	0.00
Foreign									
Non-Resident Individuals	0	0	0	0.00	0	0	0	0.00	0.00
Other Individuals	0	0	0	0.00	0	0	0	0.00	0.00
Bodies Corporate	0	0	0	0.00	0	0	0	0.00	0.00
Banks / FI	0	0	0	0.00	0	0	0	0.00	0.00
Any Other (specify)	0	0	0	0.00	0	0	0	0.00	0.00
Sub-Total (A) (2)	0	0	0	0.00	0	0	0	0.00	0.00
Total Shareholding of									
Promoter (A) = (A)(1)+(A)(2)	28157062	0	28157062	75.00	28157062	0	28157062	75.00	0.00
Public Shareholding									
Institutions									
Mutual Funds	0	0	0	0.00	0	0	0	0.00	0.00
Financial Institutions / Banks	803200	51475	854675	2.28	803200	51475	854675	2.28	0.00
Central Government	0	0	0	0.00	0	0	0	0.00	0.00
State Governments(s)	0	0	0	0.00	0	0	0	0.00	0.00
Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00
Insurance Companies	1124041	500	1124541	3.00	1124041	500	1124541	3.00	0.00

Statement Showing Shareholding Pattern 31.03.2016

SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)									
Category-wise share holding									
MODERN INDIA LTD									
Category of Shareholder	No of shares held at the beginning of the year (as on 01.04.2015)				No of shares held at the beginning of the year (as on 31.03.2016)				% Change during the year (9-5)
	Demat	Physical	Total	% of total shares	Demat	Physical	Total	% of total shares	
1	2	3	4	5	6	7	8	9	10
Foreign Institutional Investors	4461519	0	4461519	11.88	4461519	0	4461519	11.88	0.00
Foreign Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00
Any Other (Specify)	0	0	0	0.00	0	0	0	0.00	0.00
Sub-Total (B) (1)	6388760	51975	6440735	17.16	6388760	51975	6440735	17.16	0.00
Non-Institutions			0	0.00			0	0.00	
Bodies Corporate			0	0.00	0	0	0	0.00	0.00
i) Indian	990789	1325	992114	2.64	979486	1325	980811	2.61	0.00
ii) Overseas	0	0	0	0.00	0	0	0	0.00	
Individuals	0	0	0	0.00	0	0	0	0.00	
Individual Shareholders holding nominal Share									
Capital upto Rs.1 Lakh	699348	920370	1619718	4.31	708182	907545	1615727	4.30	-0.01
Individual Shareholders holding nominal Share									
Capital in excess of Rs.1 Lakh	0	0	0	0.00	0	0	0	0.00	0.00
Any Other (Specify)	0	0	0	0.00	0	0	0	0.00	0.00
Clearing Member	36	0	36	0.00	25	0	25	0.00	0.00
Overseas Corporate Bodies	0	250000	250000	0.67	0	250000	250000	0.67	0.00
Non Resident Indians	9190	34400	43590	0.12	19120	34375	53495	0.14	0.03
HUF	38265	0	38265	0.10	43665	0	43665	0.12	0.01
Directors & their relatives	1230	0	1230	0.00	1230	0	1230	0.00	0.00
Sub-total (B) (2)	1738858	1206095	2944953	7.84	1751708	1193245	2944953	7.84	0.00
Total Public Shareholding									
(B) = (B)(1)+(B)(2)	8127618	1258070	9385688	25.00	8140468	1245220	9385688	25.00	0.00
TOTAL (A)+(B)	36284680	1258070	37542750	100.00	36297530	1245220	37542750	100.00	0.00
Shares held by Custodians									
Custodian for GDRs & ADRs	0	0	0	0.00	0	0	0	0.00	0.00
GRAND TOTAL (A)+(B)+(C)	36284680	1258070	37542750	100.00	36297530	1245220	37542750	100.00	0.00

Share Ownership Pattern as on 31.03.2016

	NO. OF SHARES	FACE VALUE (₹)	%
(i) Directors	109085	218170	0.29
(ii) Shareholdings of Directors'			
(a) Relatives	45000	90000	0.12
(b) Companies/Firms in which Directors are interested	28004207	56008414	74.59
(iii) Nationalised Banks/ Financial Institutions	854675	1709350	2.28
(iv) Insurance Co	1124541	2249082	3.00
(v) Other Bodies Corporate	980811	1961622	2.61
(vi) Non-Residents	53495	106990	0.14
(viii) Overseas Body Corporate	250000	500000	0.67
(ix) FOREIGN INSTITUTIONAL INVESTORS	4461519	8923038	11.88
(x) Public (Others)	1659417	3318834	4.42
TOTAL	37542750	75085500	100.00

Minimum Public Shareholding As per Reg.38 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, 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 had diluted their holding to 75% of the total equity capital in the manner and the method stated in Clause 40A of the earlier Listing Agreement within the said time limit.

Information in respect of unclaimed dividends due for the remittance into investor Education and Protection Fund (IEPF) is given below:

Under the provisions of the Companies Act, 1956 dividends that remain unclaimed for the period of seven years from the date of declaration are required to be transferred to the IEPF administered by the Central Government. The unclaimed dividend as on March 31, 2016 as follows:

Financial Year	Unpaid/Unclaimed Dividend as on 31.03.2016	Date of Declaration	Date of Transfer to IEPF
2008-09	₹ 4,32,462.00	24.07.2009	24.08.2016
2009-10	₹ 3,44,360.00	30.07.2010	30.08.2017
2010-11	₹ 2,83,539.60	28.07.2011	28.08.2018
2011-12	₹ 3,61,670.40	08.08.2012	08.09.2019
2012-13	₹ 4,45,813.50	23.07.2013	23.08.2020
2013-14	₹ 3,49,715.00	23.07.2014	23.08.2021
2014-15	₹ 87,623.04	08.08.2015	07.08.2022

Shareholders are advised by the Company well in advance before transferring the unclaimed dividends in IEPF. Members are requested to note that as per Companies Act, unclaimed dividend once transferred to IEPF will not be refunded.

Shareholders holding shares in the electronic form are requested to deal only with their Depository Participant in respect of change of address, Nomination facility and furnishing bank account number, etc.

Dematerialization of shares and liquidity:

As on 31.03.2016, 36297530 Equity Shares of the Company had been dematerialized, which represent 96.67% 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, 2016.

Equity Share in the Demat Suspense Account:

Pursuant to Regulation 39(4) read with Schedule VI of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, there are no shares Unclaimed. However, there are 11,63,325 shares under 1937 folios undelivered after sub-division of shares from face value of ₹ 50 to ₹ 10 and subsequently from ₹ 10 to ₹ 2, in spite of sending reminders.

Plant Location:

Solar Power Plant : Aundh Village, Satara District, Maharashtra

Address for correspondence:

Corporate Office : 1, Mittal Chambers, 228, Nariman point, Mumbai- 400 021

Registered Office:

Modern Centre, Sane Guruji Marg,
Mahalaxmi, Mumbai 400011
Ph.No. 67444200
Fax Nos. 23075787/23004230
Email: info@modernindia.co.in

Registrar & Share Transfer Agents:

Satellite Corporate Services Pvt. Ltd.
B-302, Sony Apartment, Jarimari,
Sakinaka, Mumbai 400 072
Ph.No. 28520461
Email : service@satellitecorporate.com

XVI. OTHER INFORMATION

(a) The Sexual Harassment Policy:

To reinforce the Company's position as an equal opportunity employer and in the light of the increasing gender diversity it was felt necessary to articulate the Company's commitment by providing a workplace free of sexual harassment and therefore Company has adopted a policy statement on prevention of sexual harassment which is in Compliance with the Sexual harassment (Prevention, Prohibition and Redressal) Act, 2013 and Supreme Court Directives. The same can be seen on:

<http://modernindia.co.in/PDF/Policy%20on%20Prevention%20of%20Sexual%20Harassment.pdf>

(b) Related Party Transaction:

In adherence to the Corporate Governance standards with transparency, the Company has framed Related Party Transaction Policy in consistency with listing agreements and the Companies Act, 2013. The details of Material Related party Transactions are given in Note No. 44 in conformity and with omnibus approval of Audit Committee and Shareholder's approval wherever necessary.

The Board of Directors of the Company acts within the framework of the Related Party Transaction Policy. The detailed policy can be viewed on the official website of the Company <http://modernindia.co.in/pdf/Related%20Party%20Transaction%20Policy.pdf>

XVII NON MANDATORY REQUIREMENTS DISCRETIONARY REQUIREMENTS UNDER REG.27(1) OF SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015

• The Board

Since our Company has an Executive Chairman, he is entitled to an office and a salary which is approved by the members of the Company and sanction by the Central Government which is awaited.

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

• Shareholders Right

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, 2013.

• Modified opinion(s) in audit report

In case of any qualification, the same shall be responded/replied to in the Report of the Board of Directors.

XVIII CEO/CFO CERTIFICATION

Pursuant to the provisions of Reg.34(3) and 53(f) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 with the Stock Exchange, the Chairman & Managing Director and CFO has issued a certificate to the Board of Directors, for the year ended 31st March, 2016

XIX 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

Sd/-

Vijay Kumar Jatia

Chairman & Managing Director

Mumbai, 26th May 2016

AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

To the Members of Modern India Limited

We have examined the compliance of conditions of Corporate Governance as stipulated at Para C of Schedule V in terms of regulations 34(3) and 53(f) of the SECURITIES AND EXCHANGE BOARD OF INDIA (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015 (the 'Regulations') and the listing agreement of **Modern India Limited** with the stock exchanges for the year ended March 31, 2016.

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 the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us and the representations made by the Directors and the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Regulations.

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
Registration No: 100186W

Satish Kelkar
Partner
Membership No.: 38934

Place: Mumbai
Date: 26th May, 2016

**CERTIFICATION BY CHAIRMAN AND MANAGING DIRECTOR (CMD) and
CHIEF FINANCIAL OFFICER (CFO) TO THE BOARD**

We, Shri. Vijay Kumar Jatia, Chairman and Managing Director and Shri. Nawalkishore Deora, Chief Financial Officer of Modern India Limited, certify that:

1. We have reviewed the financial statements and the cash flow statement for the year and that to the best of our knowledge and belief:
 - a) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - b) these statements together present a true and fair view of the state of affairs of the company and are in compliance with existing accounting standards, applicable laws and regulations.
2. There are, to the best of our knowledge and belief, no transactions entered into by the company during the year which are fraudulent, illegal or violative of the company's code of conduct.
3. We accept overall responsibility for establishing and maintaining internal control for financial reporting. This is monitored by the internal audit function, which encompasses the examination and evaluation of the adequacy and effectiveness, of internal control. The internal auditor works with all levels of management and statutory auditors and reports significant issues to the audit committee of the Board. The auditors and audit committee are appraised of any corrective action taken with regard to significant deficiencies in the design or operation of internal controls.
4. We indicate to the auditors and to the audit committee:
 - a) Significant changes in internal control over financial reporting during the year;
 - b) Significant changes in accounting policies during the year; and that the same have been disclosed in the notes to the financial statements; and
 - c) Instances of significant fraud of which we have become aware of and which involve management or other employees having significant role in the company's internal control system and financial reporting. However, during the year there was no such instance.

Place : Mumbai

Sd/-

Sd/-

Date : 26th May, 2016

Chairman and Managing Director

Chief Financial Officer

ADDENDUM TO BOARD'S REPORT

The tenure and remuneration payable to the Shri.Vijaykumar Jatia ,Chairman and Managing Director had been approved by the Shareholders of the Company at the 81st Annual General Meeting of the company held on 8th August, 2015, for the period of three years with effect from 1st August, 2015 till 31st July, 2018.The Company had made an application for payment of remuneration as approved by the Shareholders of the Company to the Central Government.

The Central Government vide letter no.SRN C65975146/2015- CL.VII dated 2nd June, 2016 has approved under section 196 of the Companies Act, 2013 the re-appointment of Shri.Vijaykumar Jatia as Managing Director of the Company for a period of 3 years with effect from 01/08/2015 to 31/07/2018 at a total remuneration of ₹ 84,00,000/-(Rupees Eighty Four Lac Only) per annum for a period of 3 years with effect from 01/08/2015 to 31/07/2018

It may be noted that the Shri. Vijay Kumar Jatia, Chairman and Managing Director of the Company was paid remuneration at the rate of ₹ 84,00,000/- p. a. for the year 2015-16.

Mumbai

For and on behalf of the Board of Directors

Date: 13.06.2016

Sd/-

Vijay Kumar Jatia

Chairman & Managing Director

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

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, 2016, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ('the Act') with respect to 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 principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes 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 frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, 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 have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. 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 the 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 financial control relevant to the Company's preparation of the 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 the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, 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 qualified audit opinion on the financial statements.

Basis for Qualified Opinion

Receivables as on March 31, 2016 include an amount of ₹ 13,59,50,849 (net off ₹ 93,60,905 recovered till date) outstanding in respect of commodities trading transaction done on National Spot Exchange Limited (NSEL). The company has filed a representative suit in the High Court of Bombay for recovery of this amount. In the meanwhile various decrees have been passed by the High Court of Bombay against defaulters, including for sale of commodities and assets which are in process of implementation. Economic Offence Wing and Enforcement Directorate are also in process of liquidating assets of defaulters. Pending outcome of the legal suit and resolution of uncertainties involved, the Management has considered the receivable as good for recovery. However, in the absence of appropriate audit evidence, we are unable to determine the extent of recovery possible in this case.

Qualified Opinion

In our opinion and to the best of our information and according to the explanations given to us, except for the effects of the matters described in Basis for Qualified Opinion paragraph above, the aforesaid 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, of the state of affairs of the Company as at March 31, 2016, and its profit and its cash flows for the year ended on that date.

Emphasis of Matter

We draw attention to Note no.30 of Notes to Accounts, wherein despite accumulated loss of ₹ 5,58,03,024 as at 31st March 2016 (Previous year ₹ 5,93,54,403) incurred by one of its subsidiary namely Modern India Property Developers Limited (MIPDL), no provision is considered necessary in the Company's long term investment of ₹ 15,00,00,000 in MIPDL as in the opinion of the Management the diminution in value of investment is temporary in nature.

Our opinion is not modified in respect of above matter.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ('the Order') issued by the Government of India – Ministry of Corporate Affairs, in terms of sub-section (11) of section 143 of the Act, we enclose in the Annexure – A, a statement on the matters specified in paragraphs 3 and 4 of the said Order.
2. As required by Section 143 (3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - (b) Except for the effects of the matters prescribed in the Basis for Qualified Opinion paragraph above, in our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - (c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.

- (d) Except for the effects of the matters prescribed in the Basis for Qualified Opinion paragraph above, in our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- (e) The matter described in the Basis for Qualified Opinion paragraph above, in our opinion, may have an adverse effect on the functioning of the Company.
- (f) On the basis of the written representations received from the directors as on March 31, 2016 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2016 from being appointed as a director in terms of Section 164 (2) of the Act.
- (g) The qualification relating to the maintenance of accounts and other matters connected therewith are as stated in the Basis for Qualified Opinion paragraph.
- (h) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B"; and
- (i) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 32 to the financial statements;
 - ii. The company did not have any long term contracts including derivative contracts for which there were any material foreseeable losses
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

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

Place: Mumbai
Date: May 26, 2016

Annexure – A to the Auditor’s Report

(Referred to in paragraph 1 under the heading ‘Report on Other Legal and Regulatory Requirements’ of our Report of even date on the financial statements for the year ended on March 31, 2016, of **Modern India Limited**)

- (i) (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
- (b) The fixed assets have been physically verified by the management during the year. In our opinion the frequency of verification is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company.
- (ii) (a) The inventory has been physically verified during the year by the management at reasonable intervals.
- (b) The procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.
- (c) In our opinion and according to the explanations 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 with in the books of account
- (iii) The Company has granted during the year inter corporate deposit (ICD) of ₹ 55,85,000 to one party covered in the Register maintained under Section 189 of the Companies Act, 2013, and recovered the same along with interest before the end of the year.
 - (a) In our opinion, the rate of interest and other terms and conditions on which the loans had been granted to the body corporate listed in the register maintained under Section 189 of the Act were not, prima facie, prejudicial to the interest of the Company.
 - (b) In the case of the ICD granted to a body corporate listed in the register maintained under section 189 of the Act, the borrower has been regular in the payment of the principal and interest as stipulated.
 - (c) There are no overdue amounts in respect of the ICD granted to a body corporate listed in the register maintained under section 189 of the Act
- (iv) In our opinion and according to the information and explanations given to us in respect of loans, investments, guarantees and security provided, provisions of section 185 and 186 of the Companies Act, 2013 have been complied with.
- (v) The Company has not accepted any deposits from the public to which the provisions of section 73 to 76 or any other relevant provisions of the Companies Act, 2013 or the Companies (Acceptance of Deposit) Rules 2014 or the directives issued by the Reserve Bank of India apply.
- (vi) We have been informed that the Company is not required to maintain cost records under sub-section (1) of section 148 of the Companies Act, 2013, which has been relied upon.

- (vii) (a) According to the records of the Company, Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax, Cess and other material statutory dues applicable to it have been generally regularly deposited during the year with the appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of above were in arrears, as at March 31, 2016 for a period of more than six months from the date on which they became payable.
- (b) According to the records of the Company, there are no dues of income tax, sales tax, service tax, custom duty, excise duty and cess which have not been deposited on account of any dispute.
- (viii) The company has not defaulted in repayment of principal and interest to financial institutions, banks, government or dues to Debenture holders.
- (ix) The Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments) but through term loans during the year has been applied for the purpose for which it was raised.
- (x) According to the information and explanations furnished by the management, which have been relied upon by us, there were no frauds on or by the Company noticed or reported during the course of our audit.
- (xi) The remuneration paid during the year to the managerial personnel is in accordance with the requisite approvals mandated by the provisions of section 197 read with schedule V to the companies Act.
- (xii) In our opinion, the Company is not a Nidhi Company. Therefore, the provisions of clause 3 (xii) of the Order are not applicable to the Company.
- (xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- (xiv) The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review and hence clause 3 (xiv) is not applicable to the Company.
- (xv) The Company has not entered into any non-cash transactions with directors or persons connected with him and hence clause 3(xv) is not applicable to the Company.
- (xvi) According to the information and explanations given to us, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

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

Place: Mumbai
Date: May 26, 2016

Annexure-B to Auditors report

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)

We have audited the internal financial controls over financial reporting of Modern India Limited (“the Company”) as of 31 March 2016 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

The Company’s management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India (‘ICAI’). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors’ Responsibility

Our responsibility is to express an opinion on the Company’s internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the “Guidance Note”) and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. 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.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company’s internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A company’s internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company’s internal financial control over financial reporting includes

those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For K. S. Aiyar & Co.
Chartered Accountants

ICAI Firm Registration No: 100186W

Satish K. Kelkar

Partner

Membership No.: 38934

Place: Mumbai

Date: May 26, 2016



BALANCE SHEET AS AT 31st MARCH, 2016

		(Amount in ₹)	
		As at	As at
		March 31, 2016	March 31, 2015
I. EQUITY AND LIABILITIES			
(1) Shareholders' Funds:			
(a) Share Capital	2	7,50,85,930	7,50,85,930
(b) Reserves and Surplus	3	38,39,16,991	39,60,99,152
		<u>45,90,02,921</u>	<u>47,11,85,082</u>
(2) Non-current Liabilities:			
(a) Long-term Borrowings	4	9,00,00,000	6,01,377
(b) Other Long Term Liabilities	5	76,00,00,000	55,00,00,000
(c) Long-term Provisions	7	29,93,410	20,17,000
		<u>85,29,93,410</u>	<u>55,26,18,377</u>
(3) Current Liabilities:			
(a) Short-term Borrowings	8	2,13,53,475	30,39,99,284
(b) Trade Payables		13,85,85,324	3,67,10,188
(c) Other Current Liabilities	9	1,57,86,004	7,45,74,055
(d) Short-term Provisions	10	1,62,49,065	84,55,515
		<u>19,19,73,868</u>	<u>42,37,39,042</u>
TOTAL		<u><u>1,50,39,70,199</u></u>	<u><u>1,44,75,42,501</u></u>
II. ASSETS:			
(1) Non-current Assets			
(a) Fixed Assets	11		
(i) Tangible Assets		23,71,23,143	10,09,71,324
(ii) Intangible Assets		60,678	1,21,339
(iii) Capital work-in-progress		3,64,11,217	23,07,07,141
(vi) Intangible Assets Under Development		14,18,750	
		<u>27,50,13,788</u>	<u>33,17,99,804</u>
(b) Non-current Investments	12	66,59,94,869	62,24,77,540
(c) Deferred Tax Assets (Net)	13	1,44,68,355	1,47,39,992
(d) Long term Loans and Advances	14	4,04,63,771	4,65,05,166
(e) Other Non Current Assets	15	80,24,702	80,24,702
(2) Current Assets:			
(a) Current Investments	16	-	12,50,000
(b) Inventories	17	16,51,94,359	13,97,72,801
(c) Trade Receivables	18	29,42,39,847	18,83,89,135
(d) Cash and Bank Balances	19	42,08,900	65,68,043
(e) Short term Loans and Advances	20	2,73,33,233	7,47,05,092
(f) Other Current Assets	21	90,28,374	1,33,10,226
		<u>50,00,04,713</u>	<u>42,39,95,297</u>
TOTAL		<u><u>1,50,39,70,199</u></u>	<u><u>1,44,75,42,501</u></u>

Significant Accounting Policies & Notes on Accounts 1 to 45

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

Satish Kelkar
 Partner
 M. No. 38934
 Mumbai, dated 26th May, 2016

Parind Badshah
 Vice President & Company Secretary

N. K. Deora
 Sr. Vice President & Chief Financial Officer

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

Directors

A. Didwania	R. R. Doshi
P. K. Bubna	S. D. Israni
Gauri Jatia	K. Kalyaniwalla

Mumbai, dated 26th May, 2016



Statement of Profit and Loss for the Year ended 31st March, 2016

		(Amount in ₹)		
	Note No.	2015-2016	2014-2015	
I.	Revenue from Operations	24	80,53,36,634	55,93,09,543
II.	Other Income	25	14,79,08,373	8,00,48,020
III.	Total (I + II)		<u>95,32,45,007</u>	<u>63,93,57,563</u>
IV.	Expenses:			
	(a) Purchase of Traded Goods		76,84,10,501	52,68,29,301
	(b) Changes in inventories of Stock -in-trade	26	(2,54,21,558)	(11,69,973)
	(c) Employee benefits expenses	27	4,01,52,352	3,92,60,848
	(d) Finance Cost	28	3,85,46,890	2,17,65,598
	(e) Depreciation and Amortization expenses	11	3,96,29,596	1,51,30,000
	(f) Other expenses	29	9,02,82,074	8,11,55,667
	Total		<u>95,15,99,855</u>	<u>68,29,71,441</u>
V.	Profit / (Loss) before exceptional and extraordinary items and tax		16,45,152	(4,36,13,878)
VI.	Exceptional item - Net		-	25,00,000
VII.	Profit / (Loss) before extraordinary items and tax		16,45,152	(4,11,13,878)
VIII.	Extraordinary Items		-	-
IX.	Profit / (Loss) before Prior period Expenses and Tax		16,45,152	(4,11,13,878)
X.	Prior Period Expenses		-	-
XI.	Profit / (Loss) before Tax		16,45,152	(4,11,13,878)
XII.	Tax expense:			
	(1) Current Tax (MAT)		-	-
	Less: MAT Credit Entitlement		-	-
	Net Current Tax		-	-
	(2) Deferred Tax	13	2,71,637	(1,62,89,175)
	(3) Tax Adjustments of prior years (Net)		-	76,542
XIII.	Profit / (Loss) for the period after Tax		<u>13,73,515</u>	<u>(2,49,01,245)</u>
XVI.	Earnings per Equity Share	43		
	(1) Basic		0.04	(0.66)
	(2) Diluted		0.04	(0.66)
	Significant Accounting Policies & Notes on Accounts	1 to 45		

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

Satish Kelkar
Partner
M. No. 38934

Mumbai, dated 26th May, 2016

Parind Badshah
Vice President & Company Secretary

N. K. Deora
Sr. Vice President & Chief Financial Officer

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

Directors
A. Didwania **R. R. Doshi**
P. K. Bubna **S. D. Israni**
Gauri Jatia **K. Kalyaniwalla**

Mumbai, dated 26th May, 2016

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2016.

	(Amount in ₹)	
	2015-2016	2014-2015
A. Cash Flow From Operating Activities:		
Net Profit / (Loss)	<u>13,73,515</u>	<u>(2,49,01,245)</u>
Add / (Less) :		
Depreciation	3,96,29,596	1,51,30,000
Dividend Income	(28,99,261)	(5,49,568)
Profit on sale of Investment	(1,08,31,910)	(61,43,901)
Interest Income	(91,97,219)	(2,72,34,021)
Loss/(Profit) on sale of Fixed Assets	(12,40,75,797)	(3,77,19,907)
Interest Expenses	3,85,46,890	2,17,65,598
Provision for Doubtful Loans & Advances	-	(25,00,000)
	<u>(6,88,27,701)</u>	<u>(3,72,51,799)</u>
Operating Profit/(Loss) before working Capital Changes	<u>(6,74,54,187)</u>	<u>(6,21,53,044)</u>
Increase/(Decrease) in Inventories	(2,54,21,558)	(11,50,228)
Increase/(Decrease) in Trade Receivables	(10,58,50,712)	10,14,65,918
Increase/(Decrease) in Trade payable	10,18,75,136	(9,94,04,590)
Increase/(Decrease) in long term loans and advances	67,19,637	1,00,80,108
Increase/(Decrease) in Other current assets	42,81,852	(55,29,273)
Increase/(Decrease) in Short term loans and advances	(8,19,127)	(9,56,929)
Increase/(Decrease) in Short term provisions	8,74,419	13,33,970
Increase/(Decrease) in Long term provisions	9,76,410	(20,67,000)
Increase/(Decrease) in Other Current Liabilities	(5,96,52,291)	(7,70,16,235)
Cash Generated from Operations	<u>(14,44,70,421)</u>	<u>2,40,35,622</u>
Direct Taxes Paid (Net)	(16,20,879)	(1,13,55,015)
Net Cash Used in Operating Activities	<u>(14,60,91,300)</u>	<u>(4,57,00,460)</u>
B. Cash Flow from Investing Activities:		
Purchase of Fixed Assets	14,12,32,217	(13,41,58,779)
Purchase of Investments	(3,14,35,419)	61,88,257
Loans given	4,81,90,986	2,41,57,624
Dividend income	28,99,261	5,49,568
Interest Received	91,97,219	17,00,84,264
	<u>17,00,84,264</u>	<u>2,72,34,021</u>
Net Cash Used in Investing Activities	<u>17,00,84,264</u>	<u>(7,60,29,309)</u>
C. Cash Flow from Financing Activities:		
Repayment of Long Term Borrowings	30,05,37,274	(13,71,95,780)
Proceeds from Short Term Borrowings	(28,26,45,809)	29,76,71,980
Interest Paid	(3,85,46,890)	(2,17,65,598)
Dividend Paid	(54,22,271)	(2,60,77,695)
	<u>(2,60,77,695)</u>	<u>(2,19,61,570)</u>
Net Cash from Financing Activities	<u>(2,60,77,695)</u>	<u>11,67,49,032</u>
Net Increase/(Decrease) in Cash and Cash Equivalents (A+B+C)	<u>(20,84,732)</u>	<u>(49,80,737)</u>
Opening Balance of Cash and Cash Equivalents	39,88,886	89,69,623
Closing Balance of Cash and Cash Equivalents	<u>19,04,154</u>	<u>39,88,886</u>
Net Increase/(Decrease) as disclosed above	<u>(20,84,732)</u>	<u>(49,80,737)</u>

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

Satish Kelkar
Partner
M. No. 38934

Mumbai, dated 26th May, 2016

Parind Badshah
Vice President & Company Secretary

N. K. Deora
Sr. Vice President & Chief Financial Officer

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

Directors

A. Didwania	R. R. Doshi
P. K. Bubna	S. D. Israni
Gauri Jatia	K. Kalyaniwalla

Mumbai, dated 26th May, 2016

Note No.1. SIGNIFICANT ACCOUNTING POLICIES

A. BASIS OF PREPARATION OF FINANCIAL STATEMENTS :

These financial statements have been prepared in accordance with Indian Generally Accepted Accounting Principles (GAPP) under the historical cost convention on accrual basis. GAAP comprises mandatory Accounting Standards as prescribed under Section 133 of the Companies Act, 2013 ("Act") read with Rule 7 of the Companies (Accounts) Rules, 2014, the provisions of the Act (to the extent notified) and guidelines issued by the Securities and Exchange Board of India (SEBI). Accounting Policies have been consistently applied except where a newly issued Accounting Standard is initially adopted or a revision to an existing Accounting Standard requires a change in the Accounting Policy hitherto in use.

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;

Tangible 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 and impairment, if any. Capital Work-in-Progress comprises of Cost of acquisition, erection, construction and interest in respect of assets that are not yet ready for their intended use on the reporting date.

(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 II to the Companies Act, 2013 as under:

- (i) on Plant and Machinery, on Written Down Value Method.
- (ii) on Residential Flats, on Straight Line Method.
- (iii) 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 & Structures : At lower of Book and Net Realizable Value
(b) Land & Structures : At lower of Cost and Net Realizable Value
(c) Unsold Flat : At lower of Cost and Net Realizable Value
(d) Land : At lower of Book and Net Realizable Value

- (iv) Renewable Energy Certificates : At 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 despatch 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) Revenue from Renewable Energy Generation is recognized at the time of supply of electricity to the Contracted Customer. Revenue from Renewable Energy Certificates is recognized at the time of Sale.
- (iii) 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.
- (iv) 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.
- (v) 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 Assets is arrived after set off of Deferred Tax Liability.

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 "Unallocated / 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, 2016		As at March 31, 2015	
	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 Number of 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 Rani Sati Investment & Finance Ltd	82,99,108	82,99,108
Sarat Leasing & Finance Pvt Ltd	77,07,500	77,07,500
F Pudumjee Investment Company Pvt Ltd	57,72,008	57,72,008

Note No: 3 Reserves and Surplus

(i) Capital Reserve		
As per last Balance Sheet	2,31,43,666	2,31,43,666
(ii) Capital Redemption Reserve		
	8,91,050	8,91,050
(iii) Other Reserve - General Reserve		
As per last Balance Sheet	3,17,59,000	3,17,59,000
Closing Balance	<u>3,17,59,000</u>	<u>3,17,59,000</u>

	As at March 31, 2016 ₹	As at March 31, 2015 ₹
(iv) Surplus:		
As per last Balance Sheet	34,03,05,436	37,23,11,253
Less: Impact of Depreciation / Amortization - Net of Deferred Tax	-	16,82,301
	<u>34,03,05,436</u>	<u>37,06,28,952</u>
Add: Profit / (Loss) for the Current Year	13,73,515	(2,49,01,245)
	<u>34,16,78,951</u>	<u>34,57,27,707</u>
Less: Proposed Dividend on Equity Shares @ 15%, ₹ 0.30 per share.	1,12,62,825	45,05,130
Less: Tax on Distributed Profits	22,92,851	9,17,141
Closing Balance	<u>32,81,23,275</u>	<u>34,03,05,436</u>
Total of Reserves and Surplus	<u>38,39,16,991</u>	<u>39,60,99,152</u>

Note No: 4 Long Term Borrowings
Secured:

(a) Term Loan from Financial Institution	9,00,00,000	-
(b) Car Finance Loans from Bank	-	6,01,377
Total of Long Term Borrowings	<u>9,00,00,000</u>	<u>6,01,377</u>

(a) Term loan from Financial Institution is Secured by mortgage of part of Land & Building at Mahalaxmi, Mumbai and also Security Deposit receivable from K. Raheja Corp. Pvt. Ltd. The rate of Interest is 12.20% - 12.50% per annum and is repayable within 36 months from the date of disbursement.

(b) Car finance Loans from Bank were taken during the financial year 2013-14 and are repayable in 36 monthly instalments with interest. The rate of interest is 10.50% per annum and last instalment is due on August - 2016. These loans are secured by hypothecation of specific Vehicles acquired.

Note No: 5 Other Long Term Liabilities
Unsecured:

Security Deposits	(*) 76,00,00,000	55,00,00,000
	<u>76,00,00,000</u>	<u>55,00,00,000</u>

(*) Repayment of Security Deposits of ₹ 76,00,00,000/- is dependent on development of some of the properties in Mumbai. The deposits do not carry any interest.

Note No: 6 Details of dues to Micro and Small Enterprises as required under section 22 of MSMED Act, 2006.

There are no Micro and Small Enterprises 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 upon by the Auditors.

	As at March 31, 2016	As at March 31, 2015
	₹	₹
Note No: 7 Long Term Provisions		
Provision for Employee Benefits: Note No. 35		
Gratuity (Unfunded)	18,23,295	13,02,000
Leave Encashment (Unfunded)	11,70,115	7,15,000
	<u>29,93,410</u>	<u>20,17,000</u>

Note No: 8 Short Term Borrowings
Secured:

(a) Loan Repayable on Demand		
From Bank #	2,13,53,475	39,99,284
(b) From Others	-	30,00,00,000
Total Short Term Borrowings	<u>2,13,53,475</u>	<u>30,39,99,284</u>

Secured by hypothecation of Investments in Units of Mutual Funds. The rate of Interest is in the range of 10.25% to 11.00% per annum.

Note No: 9 Other Current Liabilities
Secured:

Current Maturities of Car Finance Loans (*)	24,79,468	13,40,817
---------------------------------------------	-----------	-----------

Unsecured:

(a) Deposits	5,27,000	8,76,728
(b) Income Received in Advance	2,45,815	4,08,283
(c) Unpaid Dividends (#)	23,04,746	25,79,157
(d) Other payables - Statutory Dues	25,325	1,65,930
(e) Other Liabilities	1,02,03,650	6,92,03,140
	<u>1,57,86,004</u>	<u>7,45,74,055</u>

(*) Car finance Loans from Bank were taken during the financial year 2013-14 and are repayable in 36 monthly instalments with interest. The rate of interest is 10.50% per annum and last instalment is due on August - 2016. During the current financial year 2015-2016, a car finance loan was taken from a Company repayable in 12 monthly instalments with interest @ 4.0337% per annum and the last instalment is due in December - 2016. These loans are secured by hypothecation of specific Vehicles acquired.

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

Note No: 10 Short Term Provisions

(a) Provision for Employee Benefits	26,93,389	18,18,970
(b) Proposed Dividend	1,12,62,825	45,05,130
(c) Tax on Distributed Profits	22,92,851	9,17,141
(d) Provision for Wealth Tax	-	12,14,274
	<u>1,62,49,065</u>	<u>84,55,515</u>

Note No: 11 FIXED ASSETS											
DESCRIPTION	GROSS BLOCK - AT COST				DEPRECIATION / AMORTIZATION					NET BLOCK	
	As At 01.04.2015	Additions	Disposals/ Transfers	As At 31.03.2016	As At 01.04.2015	For the Year	Transfer from Surplus	On disposals/ Transfers	Upto 31.03.2016	As At 31.03.2016	As At 31.03.2015
	(₹)	(₹)	(₹)	(₹)	(₹)	(₹)	(₹)	(₹)	(₹)	(₹)	(₹)
A Tangible Assets											
Land	55,32,172	-	-	55,32,172	-	-	-	-	-	55,32,172	55,32,172
	<i>55,12,425</i>	<i>19,747</i>	<i>-</i>	<i>55,32,172</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>55,32,172</i>	<i>55,32,172</i>
Buildings	7,34,57,213	1,76,12,601	5,59,40,160	3,51,29,654	1,34,65,197	41,61,130	-	80,61,479	95,64,848	2,55,64,806	5,99,92,016
	<i>8,92,34,310</i>	<i>38,32,400</i>	<i>1,96,09,497</i>	<i>7,34,57,213</i>	<i>1,23,42,760</i>	<i>15,30,382</i>	<i>-</i>	<i>4,07,945</i>	<i>1,34,65,197</i>	<i>5,99,92,016</i>	<i>7,68,91,550</i>
Plant and Equipments @	7,19,26,761	20,40,39,351	1,28,92,832	26,30,73,280	5,58,32,169	2,96,38,971	-	1,14,26,848	7,40,44,292	18,90,28,988	1,60,94,592
	<i>8,06,55,543</i>	<i>9,08,488</i>	<i>80,58,239</i>	<i>7,35,05,792</i>	<i>5,50,56,966</i>	<i>60,24,663</i>	<i>20,61,882</i>	<i>57,32,311</i>	<i>5,74,11,200</i>	<i>1,60,94,592</i>	<i>2,55,98,577</i>
Furniture and Fixtures	2,38,50,085	1,07,633	1,24,55,476	1,15,02,242	1,42,46,925	22,16,990	-	1,05,76,916	58,86,999	56,15,243	96,03,160
	<i>2,87,38,434</i>	<i>79,29,980</i>	<i>1,28,18,329</i>	<i>2,38,50,085</i>	<i>2,27,03,699</i>	<i>21,58,436</i>	<i>4,28,384</i>	<i>1,10,43,594</i>	<i>1,42,46,925</i>	<i>96,03,160</i>	<i>60,34,735</i>
Vehicles	2,47,07,465	60,56,432	60,09,092	2,47,54,805	1,49,58,081	35,51,844	-	51,37,054	1,33,72,871	1,13,81,934	97,49,384
	<i>2,93,24,081</i>	<i>18,70,974</i>	<i>64,87,590</i>	<i>2,47,07,465</i>	<i>1,23,12,811</i>	<i>53,55,858</i>	<i>-</i>	<i>27,10,588</i>	<i>1,49,58,081</i>	<i>97,49,384</i>	<i>1,70,11,270</i>
TOTAL (A)	19,94,73,696	22,78,16,017	8,72,97,560	33,99,92,153	9,85,02,372	3,95,68,935	-	3,52,02,297	10,28,69,010	23,71,23,143	10,09,71,324
<i>Previous Year</i>	<i>23,34,64,793</i>	<i>1,45,61,589</i>	<i>4,69,73,655</i>	<i>20,10,52,727</i>	<i>10,24,16,236</i>	<i>1,50,69,339</i>	<i>24,90,266</i>	<i>1,98,94,438</i>	<i>10,00,81,403</i>	<i>10,09,71,324</i>	<i>13,10,68,304</i>
@ Includes Office Equipments											
B Intangible Assets:											
Brands / Trade Marks	7,81,867	-	-	7,81,867	7,81,867	-	-	-	7,81,867	-	-
	<i>7,81,867</i>	<i>-</i>	<i>-</i>	<i>7,81,867</i>	<i>7,81,768</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>7,81,768</i>	<i>-</i>	<i>-</i>
Computer Software	27,81,866	-	-	27,81,866	26,60,527	60,661	-	-	27,21,188	60,678	1,21,339
	<i>10,20,835</i>	<i>1,82,000</i>	<i>-</i>	<i>12,02,835</i>	<i>10,20,835</i>	<i>60,661</i>	<i>-</i>	<i>-</i>	<i>10,81,496</i>	<i>1,21,339</i>	<i>-</i>
TOTAL (B)	35,63,733	-	-	35,63,733	34,42,394	60,661	-	-	35,03,055	60,678	1,21,339
<i>Previous Year</i>	<i>18,02,702</i>	<i>1,82,000</i>	<i>-</i>	<i>19,84,702</i>	<i>18,02,603</i>	<i>60,661</i>	<i>-</i>	<i>-</i>	<i>18,63,264</i>	<i>1,21,339</i>	<i>0</i>
TOTAL (A + B)	20,30,37,429	22,78,16,017	8,72,97,560	34,35,55,886	10,19,44,766	3,96,29,596	-	3,52,02,297	10,63,72,065	23,71,83,821	10,10,92,663
<i>Previous Year</i>	<i>23,52,67,495</i>	<i>1,47,43,589</i>	<i>4,69,73,655</i>	<i>20,30,37,429</i>	<i>10,42,18,839</i>	<i>1,51,30,000</i>	<i>24,90,266</i>	<i>1,98,94,438</i>	<i>10,19,44,667</i>	<i>10,10,92,663</i>	
Capital Work In progress										3,64,11,217	23,07,07,141
Intangible Assets Under Development										14,18,750	

Figures for the previous year are given in italics



As at March 31, 2016

As at March 31, 2015

Note No: 12 Non - Current Investments	Face	No. of Shares	₹	No. of Shares	₹
	Value (₹)				
A. Trade Investments: At Cost in Fully Paid up equity shares in Subsidiary Companies-Unquoted					
(a) In Equity shares					
(i) Equity Shares of Modern India Property Developers Ltd. (Note No. 30)	10	1,50,00,000	15,00,00,000	150,00,000	15,00,00,000
(ii) Equity Shares of Modern International (Asia) Ltd	HKD 1	99,94,000	5,53,89,100	99,94,000	5,53,89,100
(iii) Equity Shares of Verifacts Services P Ltd.	10	3,80,000	29,12,36,000	380000	29,12,36,000
(iv) Equity Shares of Modern India Free Trade Warehousing Private Ltd.	10	25,500	2,55,000	25,500	2,55,000
Less: Provision for Diminution in Value of Investments			<u>(2,55,000)</u>		<u>(2,55,000)</u>
			-		-
(b) In Preference Shares					
9% Redeemable Non-cumulative Preference Shares of Modern India Free Trade Warehousing Private Ltd.					
	100	4,75,000	<u>4,75,00,000</u>	4,75,000	<u>4,75,00,000</u>
Total of Trade Investments - Unquoted			54,41,25,100		54,41,25,100
B. Other Investments: At Cost-Unquoted					
(i) In Fully paid up Equity Instruments of Companies - Unquoted					
Equity Shares of The Shamrao Vithal Co-op Bank Ltd.	25	20000	5,00,000	20000	5,00,000
Total of Other Investments - Unquoted			<u>5,00,000</u>		<u>5,00,000</u>
	Face	No. of	₹	No. of	₹
	Value (₹)	Bonds		Bondss	
(ii) In Fully paid up Tax Free Bond - Quoted					
HUDCO - 7.39% - 15 YEARS	1,000	1506	15,06,000		-
IRFC - 7.35% - 15 YEARS	1,000	588	5,88,000		-
NABARD - 7.35% - 15 YEARS	1,000	501	5,01,000		-
NHAI - 7.29% - 15 YEARS	1,000	771	7,71,000		-
			<u>33,66,000</u>		<u>-</u>

	As at March 31, 2016			As at March 31, 2015	
	Face Value (₹)	No. of Shares	₹	No. of Shares	₹
(iii) In Fully paid up Equity Shares of Companies - Quoted					
Shipping Corpn. of India Ltd	10	12,841	17,97,740	12,841	17,97,740
Moil Ltd	10	520	1,95,000	520	1,95,000
Colgate Palmolive	1	10,546	1,04,20,642	-	-
Coal India Ltd	10	10,000	32,14,148	-	-
Hindustan Zinc Ltd	2	7,500	13,83,789	-	-
Ajanta Pharma Ltd	2	309	4,48,318	-	-
Amara Raja Batteries Ltd	1	510	4,45,764	-	-
Asian Paints Ltd	1	636	4,96,276	-	-
Astral Poly Technik Ltd	1	1,052	4,06,071	-	-
Bajaj Finance Ltd	10	94	4,05,022	-	-
Bharat Forge Ltds	2	534	5,95,926	-	-
Britannia Industries Ltd	2	139	4,54,290	-	-
Bajaj Finserve Ltd	10	125	2,48,571	-	-
Dabur India Ltd	1	1,642	4,61,002	-	-
Eicher Motors Ltd	10	28	4,85,517	-	-
Hevells India Ltd	1	1,584	4,35,292	-	-
Indusind Bank Ltd	10	567	4,94,106	-	-
Kotak Mahindra Bank Ltd	5	776	5,36,003	-	-
Lupin Ltd	2	366	6,39,501	-	-
Motherson Sumi Systems Ltd	1	1,880	5,94,995	-	-
P I Industries Ltd	1	891	6,06,369	-	-
Page Industries Ltd	10	43	6,23,624	-	-
Pidilite Industries Ltd	1	882	4,92,439	-	-
Shree Cement Ltd	10	23	2,58,238	-	-
Sun Pharma Ltd	1	636	6,19,872	-	-
			267,58,517		19,92,740
C. In Units of Mutual Funds - Unquoted At Cost					
		No. of Units	₹	No. of Units	₹
Milestone Real Estate Fund.		1737	17,37,000	2438	24,38,000
India REIT Mumbai Redevelopment Fund		73.99	73,99,030	70	70,00,000
ICICI Prudential Real Estate Scheme - 1		510000	51,09,222	5,10,000	51,09,222
BSL Short Term Opportunities Fund - Growth		-	-	7,10,208.59	1,35,00,000
Franklin Templeton India Income Opportunities Fund		-	-	12,15,340.03	1,65,00,000
Franklin Templeton India Short Term Income Plan		-	-	4,134.641	1,00,00,000
Franklin Templeton Corporate Bond Opp - Growth		-	-	667283.407	88,12,478
ICICI Prudential Long Term Gilt Fund		-	-	296576.554	1,25,00,000
HDFC Corporate Debts Opportunities Fund-Regular-Growth		699710.495	80,00,000	-	-
HDFC Short Term Plan - Growth		253692.126	70,00,000	-	-
HDFC Gilt Fund - Long Term - Growth		497418.399	1,50,00,000	-	-
Kotak Medium Term Fund - Regular - Growth		612648.567	70,00,000	-	-
Reliance Dynamic Bond Fund - Growth		800247.543	1,50,00,000	-	-
Reliance Gilt Securities Fund - Growth		524188.687	1,00,00,000	-	-
UTI Bond Fund - Growth		360243.525	1,50,00,000	-	-
Total			9,12,45,252		7,58,59,700
Total Non Current Investments (A+B+C)			66,59,94,869		62,24,77,540
Aggregate amount of quoted investments [(B (ii) + (iii))]			3,01,24,517		19,92,740
Market Value of Quoted Investments			2,68,24,607		7,36,236
Aggregate amount of unquoted investments A+B (i)+C			63,61,25,352		62,07,39,800
Aggregate Provision for Diminution in value of Non-Current Investment			2,55,000		2,55,000

	As at March 31, 2016	As at March 31, 2015
	₹	₹
Note No: 13 Deferred Tax (Assets) - Net:		
Deferred Tax Liabilities		
(i) Difference between Net Block of Fixed Assets	4,26,93,607	1,29,40,282
(ii) Capital Gains Tax Liability	3,40,565	3,40,565
Gross Deferred Tax Liability	4,30,34,172	1,32,80,847
Deferred Tax Assets		
(i) Expenditure under section 43B of the Income Tax Act, 1961	9,07,625	4,54,879
(ii) Unabsorbed Depreciation / Business Loss	5,56,30,534	2,67,61,537
(iii) Others	9,64,368	8,04,423
Gross Deferred Tax Assets	5,75,02,527	2,80,20,839
Net Deferred Tax (Assets)	(1,44,68,355)	(1,47,39,992)

Deferred Tax Asset is recognized on the basis of future income from development of Stock in Trade of Real Estate Business and from sale of Residential Flats.

Note No: 14 Long Term Loans and Advances

(Unsecured - considered good)

(a) Security Deposits	3,17,80,442	3,17,56,542
(b) Income Tax payments including Tax Deducted at Source (Net of Provision for Tax of ₹ 1,16,00,000/-)	84,94,278	78,16,036
(c) Capital Advances	1,89,051	69,32,588
	4,04,63,771	4,65,05,166

Note No: 15 Other Non Current Assets

MAT Credit Entitlement	80,24,702	80,24,702
	80,24,702	80,24,702

Note No: 16 Current Investments #

	Face Value (₹)	No. of Debentures	₹	No. of Debentures	₹
(i) In fully Paid up Debentures - Unquoted					
Peninsula Land Limited	250000		-	5	12,50,000
Total Current Investments			-		12,50,000
Aggregate amount of quoted investments			-		-
Market Value of Quoted Investments			-		-
Aggregate amount of unquoted investments			-		12,50,000

	As at March 31, 2016 ₹	As at March 31, 2015 ₹
Note No: 17 Inventories		
(a) Stock in trade (Trading) (At the lower of Cost and Net Realizable Value)	39,68,336	41,07,716
(b) Real Estate Business:		
(i) Land & Structures (At the lower of Book and Net Realizable Value)	7,91,95,056	6,71,95,056
(ii) Land & Structures (At the lower of Cost and Net Realizable Value)	2,98,83,614	2,94,99,614
(iii) Unsold Flat (At the lower of Cost and Net Realizable Value)	1,85,40,974	1,85,40,974
(iv) Land (At the lower of Book and Net Realizable Value)	2,02,68,697	2,02,68,697
(c) Renewable Energy Certificates (At Net Realizable Value)	1,31,91,025	-
(d) Stores (At the lower of Cost and Net Realizable Value)	1,46,658	1,60,744
	<u>16,51,94,359</u>	<u>13,97,72,801</u>
Note No: 18 Trade Receivables - Unsecured considered Good:		
(i) Over six months - Note No. 32	13,77,45,554	13,59,52,640
(ii) Others	15,64,94,293	5,24,36,495
	<u>29,42,39,847</u>	<u>18,83,89,135</u>
Note No: 19 Cash and Bank Balances		
(i) Cash and Cash Equivalents:		
(a) Balances with Banks	11,05,238	27,62,654
(b) Cash on Hand	7,98,916	11,76,232
(ii) Earmarked balances with Banks - Unclaimed Dividends	23,04,746	26,29,157
	<u>42,08,900</u>	<u>65,68,043</u>
Note No: 20 Short Term Loans and advances		
Secured, Considered Good:		
Inter Corporate Deposit	1,24,08,778	
Less: Provision for Fall in value of Security (Secured against Marketable Equity Shares and Land)	<u>1,15,00,000</u>	9,08,778
		1,29,08,778
Unsecured considered good:		
(a) Inter Corporate Deposits	1,03,59,014	5,00,00,000
(b) Advances Recoverable in Cash or in kind or for value to be received	1,60,65,441	32,46,314
(c) Loans to Subsidiary Company	-	85,50,000
	<u>2,73,33,233</u>	<u>7,47,05,092</u>

Name of the Company	Nature	Purpose	Repayment	As at March 31, 2016	As at March 31, 2015
				₹	₹
Prabal Investrade Pvt. Ltd. (Net of Provision)	Secured	Working Capital	Already Due	9,08,778	9,08,778
Nine Globe Industry Pvt. Ltd.	Unsecured	Working Capital	before 30.06.2016	1,03,59,014	1,00,00,000

Note No: 21 **Other Current Assets**

Other Receivables	93,13,374		
Less: Considered Doubtful	2,85,000	90,28,374	1,33,10,226
		<u>90,28,374</u>	<u>1,33,10,226</u>

Note No: 22

Contingent Liabilities:

Corporate Guarantee of USD 5.60 Mio (Previous Year USD 8 Mio) given by the Company to Indian Overseas Bank, Hong Kong on behalf of Wholly Owned Subsidiary M/s. Modern International (Asia) Limited.	37,14,64,240	50,07,26,400
	<u>37,14,64,240</u>	<u>50,07,26,400</u>

Note No: 23 **Capital & Other Commitments:**

Estimated Value of Contracts in Capital Account remaining to be executed and not provided for (Net of Capital Advances of ₹ 1,89,051/-)	4,56,250	66,69,615
Other Commitments (Net of Advances of ₹ 15,00,000/-)	5,00,000	-

	2015-2016 ₹	2014-2015 ₹
Note No: 24 Revenue from Operations		
(a) Sale of Products	78,03,70,897	53,50,00,402
(b) Revenue from Renewable Energy Generation	2,22,20,948	-
(c) <u>Sale of Services:</u>		
(i) Vocational Training Fees	9,71,369	54,78,174
(ii) Income from Real Estate Business	2,83,516	2,57,150
(d) Other Operating Revenues		
Rent Income	14,89,904	1,85,73,817
	<u>80,53,36,634</u>	<u>55,93,09,543</u>
Note No: 25 Other Income		
(a) Interest Income	91,97,219	2,72,34,021
(b) Dividend Income (Note No. 31)	28,99,261	5,49,568
(c) Net gain on sale of investments:		
Profit on Sale of Non Current Investments	1,07,95,384	58,97,173
(d) Other Non-operating Income:		
(i) Commission	-	67,13,305
(ii) Provision no longer required Written Back	54,983	-
(iii) Profit on Sale of Fixed Assets	12,40,75,797	3,77,19,907
(iv) Miscellaneous income	8,85,729	19,34,046
	<u>14,79,08,373</u>	<u>8,00,48,020</u>
Note No: 26 (Increase) / Decrease in Inventories		
<u>Inventories at the end of the Year</u>		
(a) Traded Goods	39,68,336	41,07,716
(b) Real Estate Business		
(i) Land & Structure	7,91,95,056	6,71,95,055
(ii) Land & Structure	2,98,83,614	2,94,99,613
(iii) Unsold Flat	1,85,40,974	1,85,40,974
(iv) Land	2,02,68,697	2,02,68,697
(c) Stores	1,46,657	1,60,744
(d) Renewable Energy Certificates	1,31,91,025	-
	<u>16,51,94,358</u>	<u>13,97,72,799</u>
<u>Inventories at the beginning of the Year</u>		
(a) Traded Goods	41,07,716	45,14,543
(b) Real Estate Business		
(i) Land & Structure	6,71,95,056	6,64,26,035
Less: Transferred to Fixed Assets	-	(19,747)
	<u>6,71,95,056</u>	<u>6,64,06,288</u>
(ii) Land & Structure	2,94,99,614	2,86,77,879
(iii) Unsold Flat	1,85,40,974	1,85,40,974
(iv) Land	2,02,68,697	2,02,68,697
(c) Stores	1,60,744	1,94,445
	<u>13,97,72,801</u>	<u>13,86,02,826</u>
(Increase) / Decrease in Inventories	(2,54,21,558)	(11,69,973)

	2015-2016 ₹	2014-2015 ₹
Note No: 27 Employee Benefit Expenses:		
(Including Managing Director's Remuneration - Note No. 34)		
Salaries & Wages	3,65,57,323	3,46,58,420
Contribution to Provident and other funds	20,16,977	19,82,398
Gratuities	5,91,479	16,58,055
Staff Welfare Expenses	9,86,573	9,61,975
	<u>4,01,52,352</u>	<u>3,92,60,848</u>
Note No: 28 Finance Cost:		
Interest Expenses	3,51,45,902	1,87,54,107
Other Borrowing Cost	34,00,988	30,11,491
	<u>3,85,46,890</u>	<u>2,17,65,598</u>
Note No: 29 Other Expenses:		
Stores Consumed	6,669	43,099
Power & Fuel	21,18,983	25,66,340
Rent	1,09,72,269	63,28,563
Water Charges	4,25,817	13,56,036
Repairs to:		
Machinery	14,22,259	6,11,577
Buildings	10,57,479	5,39,970
Others	3,49,122	17,92,706
	<u>28,28,860</u>	<u>29,44,253</u>
Insurance	17,60,073	10,33,512
Rates and Taxes, excluding taxes on income	71,35,667	69,70,212
Real Estate Business Expenses	1,23,84,000	-
Travelling & Conveyance	55,27,479	65,35,545
Legal and Professional Charges	2,44,43,088	3,50,15,625
Donation	-	39,478
Corporate Social Responsibility Expenses - Note No. 33	3,76,250	1,50,000
Directors Sitting Fees	26,35,792	13,70,792
Directors Commission	-	52,421
Loss on Sale of Non Current Investments(Net)	36,526	(2,46,728)
Payment to Auditors:		
- Audit Fees	6,64,624	4,49,440
- Tax Audit Fees	57,500	56,180
- Other Services	6,45,383	2,75,282
- Reimbursement of expenses	16,359	19,454
	<u>13,83,866</u>	<u>8,00,356</u>
Miscellaneous Expenses	1,82,46,735	1,61,96,163
	<u>9,02,82,074</u>	<u>8,11,55,667</u>

Note No: 30 The Company has a long term investment of ₹ 15,00,00,000/- 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 ₹ 5,58,03,024/- as at March 31, 2016 (Previous Year ₹ 5,93,54,403/-). During the current year MIPDL has made Profit after tax of ₹ 35,51,379/-. 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: 31 Dividend consists of dividend on (i) Current Investments ₹ 4,12,364/- and (ii) Non Current Investments ₹ 24,86,897/-.

Note No: 32 Out of the sum of ₹ 13,77,45,554, a sum of ₹ 13,59,50,849/- (Net of ₹ 93,60,905/- recovered till date) is outstanding as receivable in respect of Commodities Trading Transactions done on National Spot Exchange Limited (NSEL). The Company has filed a representative suit in the Hon'ble Bombay High Court for recovery of the same. Time limit for Ministry of Corporate Affairs (MCA) to pass Order under Section 396 of the Companies Act, 1956 is extended to 15th June, 2016. In the meanwhile various decrees have been passed by the High Court of Bombay against defaulters, including for sale of commodities and assets which are in process. Various agencies including Economic Offence Wing and Enforcement Directorate are also in process of liquidating assets of defaulters. However considering uncertainties involved in making any reliable estimate of amount recoverable provision if any, will be considered at an appropriate time on the basis of resultant outcome. Until then the dues are considered as good.

Note No: 33 During the year, the Company has Donated ₹ 3,76,250/- as a part of Corporate Social Responsibility to Vijay Jatia Foundation for Repairing of School Building. Details of amount pending at the end of the year are as under.

	<u>2015-16</u>	<u>2014-15</u>
	₹	₹
Amount unspent at the beginning of the year	5,21,450	-
Amount required to be spent for the year	4,24,188	6,71,450
Amount spent during the Year	3,76,250	1,50,000
Amount unspent at the end of the year	5,69,388	5,21,450

Note No: 34 Managing Director's Remuneration:

(i) Salary	55,20,000	55,20,000
(ii) Contribution to Provident Fund	6,62,400	6,62,400
(iii) Perquisites	21,67,625	22,17,600
	<u>83,50,025</u>	<u>84,00,000</u>

Note No: 35 Defined Benefit Plan :

As per Actuarial Valuation as on March 31, 2016 and recognized in the Financial Statements in respect of Employee Benefit Schemes:

	31st March,2016		31st March,2015	
	(₹)		(₹)	
	Gratuity Non-Funded	Leave Encashment Non-Funded	Gratuity Non-Funded	Leave Encashment Non-Funded
I. Components of Employer Expenses				
(a) Current Service Cost	2,83,292	3,74,486	3,60,354	5,86,705
(b) Interest Cost	1,94,645	1,12,124	2,48,080	1,17,440
(c) Employee Contributions	-	-	-	-
(d) Expected Return on Plan Assets	-	-	-	-
(e) Past Service Cost / (Adjustments)	-	-	-	-
(f) Actuarial (Gain) / Loss	1,13,478	9,32,342	10,49,621	3,01,539
(g) Total Expense recognized in the Profit & Loss Account	5,91,415	14,18,952	16,58,055	10,05,684
II. Net Liability recognized in the Balance Sheet				
(a) Present Value of Defined Benefit Obligation as at the beginning of the year	24,33,064	14,01,549	31,01,000	14,68,000
(b) Fair Value of Plan Assets as at the close of the year	-	-	-	-
(c) Net Liability as at the close of the year	29,16,759	27,45,137	24,33,064	14,01,549
III. Change in Defined Benefit Obligation (DBO) during the Year ended				
(a) Present Value of Defined Benefit Obligation at the beginning of the year	24,33,064	14,01,549	31,01,000	14,68,000
(b) Current Service Cost	2,83,292	3,74,486	3,60,354	5,86,705
(c) Interest Cost	1,94,645	1,12,124	2,48,080	1,17,440
(d) Curtailment Cost / (Credit)	-	-	-	-
(e) Actuarial (Gain) / Loss	1,13,478	9,32,342	10,49,621	3,01,539
(f) Benefits Paid	(1,07,720)	(75,364)	(23,26,055)	(10,71,684)
(g) Present Value of Defined Benefit Obligation at the year end	29,16,759	27,45,137	24,33,064	14,01,549
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	1,07,720	75,364	23,26,055	10,71,684
(f) Benefits Paid	(1,07,720)	(75,364)	(23,26,055)	(10,71,684)
(g) Fair Value of Plan Assets as at the close of the year	-	-	-	-
V. Actuarial Assumptions:				
(a) Discount Rate(per annum)	7.99%	7.99%	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)	2006-08 (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:36 Segment Information for the Year ended 31st March, 2016

Primary Segment reporting - Business Segments

Particulars					Amount (₹)
	Renewable Energy	Real Estate	Trading	Unallocated / Corporate	Total
A) Segment Revenue:					
External Sales / Income from Operations	22220948	283516	780317295	2514875	805336634
	-	257150	534933363	24119030	559309543
Other Income	-	-	-	147908373	147908373
	-	-	6713305	73581443	80294748
Total	22220948	283516	780317295	150423248	953245007
	-	257150	541646668	97700473	639604291
B) Segment Results:					
Profit/(Loss) before Depreciation, Taxes & exceptional items	1951616	283516	(927221)	39966837	41274748
	-	257150	(138786)	(28602241)	(28483877)
Depreciation	28022527	22557	-	11584512	39629596
	-	61755	-	15068245	15130000
Profit / (Loss) before Taxes and Exceptional items	(26070911)	260959	(927221)	28382325	1645152
	-	195395	(138786)	(43670486)	(43613877)
C) Other Information:					
Segment Assets	210903018	187354616	290769297	814943268	1503970199
	-	174967566	191841334	1081018601	1447827501
Segment Liabilities	1277569	760000000	138585324	145104385	1044967278
	-	550000000	36710188	389932231	976642419
Capital Expenditure	209900751	-	-	17915266	227816017
	-	-	-	14743589	14743589
Depreciation	28022527	22557	-	11584512	39629596
	-	61755	-	15068245	15130000
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:
- Trading - Consists of Trading in all Products and Commodities
 - Real Estate - comprising of Property Development and carrying on business or activities in real estate business of all types and
 - Generation of Renewable Energy.
- (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).

	Current Year			Previous Year		
	India	Rest of the world	Total	India	Rest of the world	Total
Revenue	805336634	-	805336634	559309543	-	559309543
Capital Expenditure	227816017	-	227816017	14743589	-	14743589
Carrying Amount of Segment Assets	1503970199	-	1503970199	1447827501	-	1447827501

Note No: 37 Value of Imported and Indigenous Stores and Spare parts consumed:

	Current Year		Previous Year	
	Value	Percentage	Value	Percentage
	₹		₹	
Stores and Spare parts				
Indigenous	6,669	100%	43,099	100%
Imported	-	-	-	-

Note No:38 Information in respect of Flats :

Class of Goods	Unit	Opening Stock	Improvement/ Purchases	Sales/ Transfers	Closing Stock
Unsold Flats :	Nos.	1	-	-	1
	Nos.	1	-	-	1
	₹	1,85,40,974	-	-	1,85,40,974
	₹	1,85,40,974	-	-	1,85,40,974
Total Current Year	₹	1,85,40,974	-	-	1,85,40,974
Previous Year	₹	1,85,40,974	-	-	1,85,40,974

Note No:39 Information in respect of Goods Traded :(Major items)

Class of Goods	Unit	Opening Stock	Purchases	Sales	Closing Stock
(a) Cloth	Mtrs.	-	28,76,463	28,76,463	-
	Mtrs.	-	25,18,887	25,18,887	-
	₹	-	65,43,98,494	66,42,12,649	-
	₹	-	52,67,91,191	53,46,85,974	-
(b) Steel	Mt.	-	2,504	2,504	-
	Mt.	-	-	-	-
	₹	-	10,24,91,636	10,27,42,013	-
	₹	-	-	-	-
(c) Fibre	Kgs	-	1,03,878	1,03,878	-
	Kgs	-	-	-	-
	₹	-	85,40,407	87,11,106	-
	₹	-	-	-	-

Note: Previous Years Figures are given in *Italics*

Note No: 40 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	11,82,986	-
(ii) Capital Goods	2,00,499	10,74,64,079

Note No: 41 Earnings in Foreign Exchange in respect of :-

F. O. B. Value of Exports	55,641	52,312
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Note No: 42 Expenditure in Foreign Currency by the Company during the Financial Year in respect of :-

Other Matters	15,08,144	26,68,126
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Note No: 43 Earning Per Share:

Earning Per Share has been calculated as under:

(a) Profit / (Loss) After Taxation and Exceptional Items	13,73,515	(2,49,01,245)
(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)	0.04	(0.66)

Note No: 44 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 Ltd.
- (ii) Modern International (Asia) Ltd.
- (iii) Modern India Free Trade Warehousing Pvt. Ltd.
- (iv) Verifacts Services Pvt. Ltd.

B) Significant Influence :

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

C) Key Management Personnel & Relatives :

- (i) Mr. Vijay Kumar Jatia - Chairman & Managing Director.
- (ii) Mrs. Gauri Jatia - Director.
- (iii) Mr. Sidhant Jatia - President
- (iv) Mr. Mudit Jatia - President

Note: In respect of above parties, there is no provision for doubtful debts as on March 31, 2016 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: (Amount in ₹)

	Subsidiaries				Total
	Modern India Property Developers Limited	Modern India Free Trade Warehousing Private Limited	Modern International (Asia) Ltd.	Verifacts Services Pvt. Ltd	
1. (a) Inter Corporate Deposit given	55,85,000	-	-	-	55,85,000
	<i>1,43,75,000</i>	-	-	-	<i>1,43,75,000</i>
(b) Repayment out of Deposit given	1,41,35,000	-	-	-	1,41,35,000
	<i>58,25,000</i>	-	-	-	<i>58,25,000</i>
(c) Amount of Deposit given outstanding at the year end	-	-	-	-	-
	<i>85,50,000</i>	-	-	-	<i>85,50,000</i>
2. Interest on Inter Corporate Deposit given	3,97,277	-	-	-	3,97,277
	<i>4,77,360</i>	-	-	-	<i>4,77,360</i>
3 Purchase / (Sale) of Shares				-	-
				<i>63,55,263</i>	<i>63,55,263</i>
4 Amount of Investments outstanding at the year end	15,00,00,000	4,77,55,000	5,53,89,100	29,12,36,000	54,43,80,100
	<i>15,00,00,000</i>	<i>4,77,55,000</i>	<i>5,53,89,100</i>	<i>29,12,36,000</i>	<i>54,43,80,100</i>
5 Dividend Received				19,00,000	19,00,000
				-	-
6 Guarantees Given	-	-	37,14,64,240		37,14,64,240
			<i>50,07,26,400</i>		<i>50,07,26,400</i>
			Buildmat	Key	Relatives of
			Infra India	Management	Key Management
			Pvt. Ltd.	Personnel	Personnel
1 Sale of Fixed Assets			33,656		33,656
			<i>18,83,250</i>		<i>18,83,250</i>
2 Managerial Remuneration				83,50,025	83,50,025
				<i>84,00,000</i>	<i>84,00,000</i>
3 Directors Sitting Fees				2,40,000	2,40,000
				<i>1,00,000</i>	<i>1,00,000</i>
4 Salaries				92,89,200	92,89,200
				<i>96,19,568</i>	<i>96,19,568</i>

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

Note No: 45 Figures of the previous year have been regrouped and rearranged wherever necessary.

Signature to Notes 1 to 45

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

Satish Kelkar
 Partner
 M. No. 38934
 Mumbai, dated 26th May, 2016

Parind Badshah
 Vice President & Company Secretary
N. K. Deora
 Sr. Vice President & Chief Financial Officer

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

Directors
A. Didwania **R. R. Doshi**
P. K. Bubna **S. D. Israni**
Gauri Jatia **K. Kalyaniwalla**

Mumbai, dated 26th May, 2016

Independent Auditor's Report

To the Members of Modern India Limited

Report on the Consolidated Financial Statements

We have audited the accompanying Consolidated financial statements of **Modern India Limited** (hereinafter referred to as "the Holding Company") and its subsidiaries (hereinafter collectively referred to as the "Group"), which comprise the Consolidated Balance Sheet as at March 31, 2016, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation of these consolidated financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, 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, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. 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 the 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 financial control relevant to the Holding Company's preparation 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 the accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in sub-paragraph (a) of the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our qualified audit opinion on the consolidated financial statements.

Basis for Qualified opinion

In case of Modern India Limited, Receivables as on March 31, 2016 include an amount of ₹ 13,59,50,849 (net off ₹ 93,60,905 recovered till date) outstanding in respect of commodities trading transaction done on National Spot Exchange Limited (NSEL). The company has filed a representative suit in the High Court of Bombay for recovery of this amount. In the meanwhile various decrees have been passed by the High Court of Bombay against defaulters, including for sale of commodities and assets which are in process of implementation. Economic Offence Wing and Enforcement Directorate are also in process of liquidating assets of defaulters. Pending outcome of the legal suit and resolution of uncertainties involved, the management has considered the receivable as good for recovery. However, in the absence of appropriate audit evidence, we are unable to determine the extent of recovery possible in this case.

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, and based on the consideration of the reports of the other auditors on the financial statements of the subsidiaries, the aforesaid consolidated 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, of the consolidated state of affairs of the Group as at March 31, 2016, and their consolidated profit and their consolidated cash flows for the year ended on that date.

Other Matter

We did not audit the financial statement of certain subsidiaries included in the consolidated financial statements, whose financial statements reflect total assets of ₹ 55,41,93,364 as at March 31 2016; total revenues of ₹ 90,74,62,536 and net cash inflows aggregating to ₹ 5,08,72,205 for the year then ended. These financial statements have been audited by other auditors whose audit report(s) have been furnished to us by the management, and our opinion on the consolidated financial statements of the Group for the year then ended to the extent they relate to the financial statements not audited by us as stated in this paragraph is based solely on the reports of the other auditors.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors.

Report on Other Legal and Regulatory Requirements

As required by Section 143(3) of the Act, and based on the auditor's reports of the Holding Company and subsidiaries, we report, to the extent applicable, that:

- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
- (b) In our opinion, except for the effect of the matters described in the Basis for Qualified Opinion paragraph above, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements

have been kept so far as it appears from our examination of those books and the reports of the other auditors.

- (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
- (d) Except for the effects of the matter described in the Basis for Qualified Opinion paragraph above, in our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- (e) The matter described in the Basis for Qualified Opinion paragraph above, in our opinion, may have an adverse effect on the functioning of the Group.
- (f) On the basis of the written representations received from the directors of the Holding Company as on 31st March, 2016 taken on record by the Board of Directors of the Holding Company and the reports of the other statutory auditors of its subsidiary companies, none of the directors of the Group companies incorporated in India is disqualified as on 31st March, 2016 from being appointed as a director in terms of Section 164 (2) of the Act.
- (g) The qualification relating to the maintenance of accounts and other matters connected therewith are as stated in the Basis for Qualified Opinion paragraph.
- (h) With respect to the adequacy of the internal financial controls over financial reporting of the Group and the operating effectiveness of such controls, refer to our separate report in "Annexure A"; and
- (i) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group – Refer Note 31 to the consolidated financial statements.
 - ii. The Group did not have any material foreseeable losses on long-term contracts including derivative contracts.
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company, and its subsidiary companies incorporated in India.

For K. S. Aiyar & Co.

Chartered Accountants

ICAI Firm Registration No. 100186W

Satish Kelkar

Partner

Membership No: 38934

Place: Mumbai

Date: May 26, 2016

Annexure-A to Auditors report

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended 31 March 2016, we have audited the internal financial controls over financial reporting (IFCoFR) of Modern India Limited ("the Holding Company") and its subsidiary companies which are companies incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

The Respective Board of Directors of the Holding Company and its subsidiary companies, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the IFCoFR of the Holding Company and its subsidiary companies based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of IFCoFR (the "Guidance Note") issued by ICAI and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate IFCoFR was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the IFCoFR and their operating effectiveness. Our audit of IFCoFR included obtaining an understanding of IFCoFR, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. 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.

We believe that the audit evidence we have obtained and evidence obtained by the other auditors in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the IFCoFR of the Holding Company and its subsidiary companies.

Meaning of Internal Financial Controls over Financial Reporting

A company's IFCoFR is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's IFCoFR includes those policies and procedures that (1) pertain to the maintenance of records that,

in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of IFCoFR, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the IFCoFR to future periods are subject to the risk that the IFCoFR may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Holding Company and its subsidiary companies, which are companies incorporated in India, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI.

Other Matters

Our aforesaid reports under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting insofar as it relates to three subsidiary companies, which are companies incorporated in India, and is based on the corresponding reports of the auditors of such companies incorporated in India.

For K. S. Aiyar & Co.

Chartered Accountants

ICAI Firm Registration No. 100186W

Satish Kelkar

Partner

Membership No: 38934

Place: Mumbai

Date: May 26, 2016

(CONSOLIDATED)



BALANCE SHEET AS AT 31st MARCH, 2016

	Note No.	As at March 31 st , 2016	As at March 31 st , 2015
I. EQUITY AND LIABILITIES			
(1) Shareholders' Funds:			
(a) Share Capital	2	7,50,85,930	7,50,85,930
(b) Reserves and Surplus	3	39,09,86,177	37,88,15,715
		<u>46,60,72,107</u>	<u>45,39,01,645</u>
(2) Minority Interest			
		2,07,46,195	1,86,16,220
(3) Non-current Liabilities:			
(a) Long-term Borrowings	4	9,00,00,000	6,01,377
(b) Other Long Term Liabilities	5	76,00,00,000	55,00,00,000
(c) Long-term Provisions	7	45,54,011	25,35,090
		<u>85,45,54,011</u>	<u>55,31,36,467</u>
(4) Current Liabilities:			
(a) Short-term Borrowings	8	2,89,83,415	32,52,55,598
(b) Trade Payables		29,37,83,217	4,42,89,986
(c) Other Current Liabilities	9	4,17,10,373	9,82,54,811
(d) Short-term Provisions	10	2,36,78,548	1,45,36,948
		<u>38,81,55,553</u>	<u>48,23,37,343</u>
TOTAL		<u>1,72,95,27,865</u>	<u>1,50,79,91,675</u>
II. ASSETS:			
(1) Non-current Assets			
(a) Fixed Assets	11		
(i) Tangible Assets		27,13,00,188	13,38,20,409
(ii) Intangible Assets		22,44,711	13,81,835
(iii) Capital work-in-progress		3,64,11,217	23,07,07,141
(vi) Intangible Assets Under Development		14,18,750	-
		<u>31,13,74,866</u>	<u>36,59,09,385</u>
(b) Goodwill on Consolidation		23,62,10,667	23,62,10,667
(c) Non-current Investments	12	13,21,71,373	8,06,44,602
(d) Deferred Tax Assets (Net)	13	1,44,68,355	1,47,39,992
(e) Long term Loans and Advances	14	6,45,52,696	7,21,26,174
(f) Other Non Current Assets	15	80,24,702	80,24,701
(2) Current Assets:			
(a) Current Investments	16	-	12,50,000
(b) Inventories	17	16,51,94,359	13,97,72,800
(c) Trade Receivables	18	48,07,32,217	27,40,59,589
(d) Cash and Bank Balances	19	14,66,71,406	9,59,61,721
(e) Short term Loans and Advances	20	11,62,28,262	17,87,11,506
(f) Other Current Assets	21	5,38,98,962	4,05,80,538
		<u>96,27,25,206</u>	<u>73,03,36,154</u>
TOTAL		<u>1,72,95,27,865</u>	<u>1,50,79,91,675</u>
Significant Accounting Policies & Notes on Accounts	1 to 37		

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

Satish Kelkar
Partner
M. No. 38934

Mumbai, dated 26th May, 2016

Parind Badshah
Vice President & Company Secretary

N. K. Deora
Sr. Vice President & Chief Financial Officer

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

Directors
A. Didwania **R. R. Doshi**
P. K. Bubna **S. D. Israni**
Gauri Jatia **K. Kalyaniwalla**

Mumbai, dated 26th May, 2016

(CONSOLIDATED)



Statement of Profit and Loss for the Year ended 31st March, 2016

		(Amount in ₹)	
	Note No.	2015-2016	2014-2015
I. Revenue from Operations	24	1,69,89,90,726	2,12,97,49,781
II. Other Income	25	15,97,31,084	8,87,68,548
III. Total (I + II)		<u>1,85,87,21,810</u>	<u>2,21,85,18,329</u>
IV. Expenses:			
(a) Purchase of Traded Goods		1,44,60,56,395	1,89,34,22,862
(b) Expenses on Back Ground Check Services		5,25,05,147	4,18,60,057
(c) Changes in inventories of Stock -in-trade	26	(2,54,21,558)	(11,69,973)
(d) Employee benefits expenses	27	13,02,58,344	11,84,06,916
(e) Finance Cost	28	4,79,92,972	3,96,07,422
(f) Depreciation and Amortization expenses	12	4,61,48,428	2,02,26,552
(g) Other expenses	29	12,97,00,495	13,10,45,950
Total		<u>1,82,72,40,223</u>	<u>2,24,33,99,786</u>
V. Profit / (Loss) before exceptional and extraordinary items and tax		3,14,81,587	(2,48,81,457)
VI. Exceptional item - Net		-	25,00,000
VII. Profit / (Loss) before extraordinary items and tax		3,14,81,587	(2,23,81,457)
VIII. Extraordinary Items		-	-
IX. Profit / (Loss) before Prior period Expenses and Tax		3,14,81,587	(2,23,81,457)
X. Prior Period Expenses		-	2,90,000
XI. Profit / (Loss) before Tax		3,14,81,587	(2,26,71,457)
XII. Tax expense:			
(1) Current Tax (MAT)		84,13,156	25,65,263
Less: MAT Credit Entitlement		-	-
Net Current Tax		84,13,156	25,65,263
(2) Deferred Tax	13	2,71,637	(1,62,89,175)
(3) Tax Adjustments of prior years (Net)		-	76,542
Less: Minority Interest		27,70,503	8,81,453
XIII. Profit / (Loss) for the period after Tax		<u>2,00,26,292</u>	<u>(99,05,540)</u>
XIV. Earnings per Equity Share	35		
(1) Basic		0.53	(0.26)
(2) Diluted		0.53	(0.26)
Significant Accounting Policies & Notes on Accounts	1 to 37		

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

Satish Kelkar
Partner
M. No. 38934

Mumbai, dated 26th May, 2016

Parind Badshah
Vice President & Company Secretary

N. K. Deora
Sr. Vice President & Chief Financial Officer

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

Directors
A. Didwania **R. R. Doshi**
P. K. Bubna **S. D. Israni**
Gauri Jatia **K. Kalyaniwalla**

Mumbai, dated 26th May, 2016

(CONSOLIDATED)



CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2016.

	(Amount in ₹)	
	2015-2016	2014-2015
A. Cash Flow From Operating Activities:		
Net Profit / (Loss)	2,27,96,794	(90,24,087)
Add / (Less) :		
Depreciation	4,61,48,428	2,02,26,552
Dividend Income	(11,07,280)	(5,49,568)
Profit on sale of Investment	(1,12,56,622)	(61,43,901)
Interest Income	(2,05,82,582)	(3,45,83,731)
Loss/(Profit) on sale of Fixed Assets	(12,40,75,797)	(3,77,19,907)
Interest Expenses	4,79,92,972	3,96,07,422
Provision for Doubtful Loans & Advances	-	(25,00,000)
Provision Written Back	-	-
Operating Profit/(Loss) before working Capital Changes	(4,00,84,087)	(2,16,63,133)
Increase/(Decrease) in Inventories	(2,54,21,559)	(11,50,227)
Increase/(Decrease) in Trade Receivables	(20,66,72,628)	40,73,73,352
Increase/(Decrease) in Trade payable	24,94,93,231	(9,74,97,592)
Increase/(Decrease) in long term loans and advances	64,84,837	91,59,469
Increase/(Decrease) in Other current assets	(1,33,18,424)	2,51,18,628
Increase/(Decrease) in Short term loans and advances	(2,39,25,620)	(5,57,45,465)
Increase/(Decrease) in Short term provisions	22,22,469	14,87,318
Increase/(Decrease) in Long term provisions	20,18,921	(15,48,910)
Increase/(Decrease) in Other Current Liabilities	(5,74,08,678)	(6,65,27,451)
Cash Generated from Operations	(10,66,11,538)	28,96,20,509
Direct Taxes Paid (Net)	11,75,346	(63,96,741)
Net Cash Used in Operating Activities	(10,54,36,192)	25,25,36,548
B. Cash Flow from Investing Activities:		
Purchase of Fixed Assets	13,24,61,888	(14,18,12,213)
Purchase of Investments	(4,07,23,168)	1,93,30,670
Loans given	8,64,08,864	49,39,746
Dividend income	11,07,280	5,49,568
Interest Received	2,05,82,582	3,45,83,731
Net Cash Used in Investing Activities	19,98,37,446	(8,24,08,498)
C. Cash Flow from Financing Activities:		
Repayment of Long Term Borrowings	30,26,67,249	(13,67,39,227)
Proceeds from Short Term Borrowings	(29,62,72,183)	4,22,47,623
Interest Paid	(4,79,92,972)	(3,96,07,422)
Dividend Paid	(35,22,271)	(2,19,61,570)
Net Cash from Financing Activities	(4,51,20,177)	(15,60,60,596)
Net Increase/(Decrease) in Cash and Cash Equivalents (A+B+C)	4,92,81,077	1,40,67,454
Opening Balance of Cash and Cash Equivalents	8,43,82,564	7,03,15,110
Closing Balance of Cash and Cash Equivalents	13,36,63,641	8,43,82,564
Net Increase/(Decrease) as disclosed above	4,92,81,077	1,40,67,454

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

Satish Kelkar
Partner
M. No. 38934

Mumbai, dated 26th May, 2016

Parind Badshah
Vice President & Company Secretary
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For and on behalf of the Board of Directors
V. K. Jatia
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Directors
A. Didwania
P. K. Bubna
Gauri Jatia
R. R. Doshi
S. D. Israni
K. Kalyaniwalla

Mumbai, dated 26th May, 2016

Note No.1. SIGNIFICANT ACCOUNTING POLICIES**A. BASIS OF PREPARATION OF FINANCIAL STATEMENTS :**

These financial statements have been prepared in accordance with Indian Generally Accepted Accounting Principles (GAPP) under the historical cost convention on accrual basis. GAAP comprises mandatory Accounting Standards as prescribed under Section 133 of the Companies Act, 2013 ("Act") read with Rule 7 of the Companies (Accounts) Rules, 2014, the provisions of the Act (to the extent notified) and guidelines issued by the Securities and Exchange Board of India (SEBI). Accounting Policies have been consistently applied except where a newly issued Accounting Standard is initially adopted or a revision to an existing Accounting Standard requires a change in the Accounting Policy hitherto in use.

B. PRINCIPLES OF CONSOLIDATION

The consolidated financial statements comprise the individual financial statements of Modern India Limited ('The Company') and its wholly / partly owned subsidiaries as on 31.03.2016 and for the year ended on that date 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	31 st March, 2016	100%	India
b) Modern International (Asia) Limited Wholly Owned Subsidiary	31 st March, 2016	100%	Hong Kong
c) Modern India Free Trade Warehousing Privat Limited Partly Owned Subsidiary	31 st March, 2016	51%	India
d) Verifacts Services Private Limited Partly Owned Subsidiary	31 st March, 2016	76%	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" notified by the Companies (Accounting Standards) Rules, 2006.
- (ii) The Company's investments in Equity shares of Subsidiaries are accounted for under the equity method and its share of pre-acquisition profit is reflected as goodwill in accordance with the Accounting Standard 23 on 'Accounting for investments in Associates in Consolidated Financial Statements' notified by the Companies (Accounting Standards) Rules, 2006.
- (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) The excess of cost to the Company, of its investments in the subsidiaries over the Company's portion of equity is recognized as Goodwill in these financial statements.
- (v) Minority interest in the net assets of consolidated subsidiaries consists of the amount of equity attributable to minorities at the date on which investment in a subsidiary is made. Minority interest's share of net profit / loss for the year of the consolidated subsidiaries is identified and adjusted against the profit after tax of the consolidated entity.
- (vi) 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.

Any exchange difference arising on consolidation is recognized in the Foreign Currency Translation Reserve.

C. FIXED ASSETS :

(i) Tangible Assets;

Tangible 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 and impairment, if any. Capital Work-in-Progress comprises of Cost of acquisition, erection, construction and interest in respect of assets that are not yet ready for their intended use on the reporting date.

(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 II to the Companies Act, 2013 as under:

- (i) on Plant and Machinery, on Written Down Value Method.
- (ii) on Residential Flats, on Straight Line Method.
- (iii) 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 & Structures : At lower of Book and Net Realizable Value
- (b) Land & Structures : At lower of Cost and Net Realizable Value
- (c) Unsold Flat : At lower of Cost and Net Realizable Value
- (d) Land : At lower of Book and Net Realizable Value
- (iv) Renewable Energy Certificates : At 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 despatch 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) Revenue from Renewable Energy Generation is recognized at the time of supply of electricity to the Contracted Customer. Revenue from Renewable Energy Certificates is recognized at the time of Sale.
- (iii) 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.
- (iv) 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.

- (v) 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. Goodwill arising on Consolidation is tested for impairment at every reporting period.

P. 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.

(CONSOLIDATED)



Note No: 2 Share Capital	As at March 31, 2016		As at March 31, 2015	
	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 Number of 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 Rani Sati Investment & Finance Ltd	82,99,108	82,99,108
Sarat Leasing & Finance Pvt Ltd	77,07,500	77,07,500
F Pudumjee Investment Company Pvt Ltd	57,72,008	57,72,008

Note No: 3 Reserves and Surplus

(i) **Capital Reserve**

As per last Balance Sheet	2,31,43,666	2,31,43,666
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(ii) **Capital Redemption Reserve**

	8,91,050	8,91,050
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(iii) **Other Reserve - General Reserve**

As per last Balance Sheet	3,17,59,000	3,17,59,000
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Add: Transfer from Statement of Profit and Loss	11,37,489	-
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Closing Balance	<u>3,28,96,489</u>	<u>3,17,59,000</u>
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(iv) **Foreign Currency Translation Reserve**

As per Last Balance Sheet	2,98,94,118	2,19,53,092
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Add: Amounts arising during the Year	61,68,259	79,41,026
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	<u>3,60,62,377</u>	<u>2,98,94,118</u>
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	As at March 31, 2016	As at March 31, 2015
	₹	₹
(v) Surplus:		
As per last Balance Sheet	29,42,15,238	31,19,45,890
Less: Impact of Depreciation/Amortization-Net of Deferred Tax	-	24,02,841
	<u>29,42,15,238</u>	<u>30,95,43,049</u>
Add: Profit / (Loss) for the Current Year	2,00,26,292	(99,05,540)
	<u>31,42,41,530</u>	<u>29,96,37,509</u>
Less: Proposed Dividend on Equity Shares @ 15%, ₹ 0.30 per share.	1,12,62,825	45,05,130
Less: Tax on Distributed Profits	28,01,792	9,17,141
Less: Transfer to General Reserve	11,37,489	-
Closing Balance	<u>29,90,39,424</u>	<u>29,42,15,238</u>
	<u>(10,46,829)</u>	<u>(10,87,357)</u>
Total of Reserves and Surplus	<u>39,09,86,177</u>	<u>37,88,15,715</u>

Note No: 4 Long Term Borrowings**Secured:**

(a) Term Loan from Bank	9,00,00,000	-
(b) Car Finance Loans from Bank	-	6,01,377
Total of Long Term Borrowings	<u>9,00,00,000</u>	<u>6,01,377</u>

(a) Term loan from Financial Institution is Secured by mortgage of part of Land & Building at Mahalaxmi, Mumbai and also Security Deposit receivable from K. Raheja Corp. Pvt. Ltd. The rate of Interest is 12.20% - 12.50% per annum and is repayable within 36 months from the date of disbursement.

(b) Car finance Loans from Bank were taken during the financial year 2013-14 and are repayable in 36 monthly instalments with interest. The rate of interest is 10.50% per annum and last instalment is due on August - 2016. These loans are secured by hypothecation of specific Vehicles acquired.

Note No: 5 Other Long Term Liabilities**Unsecured:**

Security Deposits	(*) 76,00,00,000	55,00,00,000
	<u>76,00,00,000</u>	<u>55,00,00,000</u>

(*) Repayment of Security Deposits of ₹ 76,00,00,000/- is dependent on development of some of the properties in Mumbai. The deposits do not carry any interest.

Note No: 6 Details of dues to Micro and Small Enterprises as required under section 22 of MSMED Act, 2006.

There are no Micro and Small Enterprises 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 upon by the Auditors.

(CONSOLIDATED)



	As at March 31, 2016	As at March 31, 2015
	₹	₹
Note No: 7 Long Term Provisions		
Provision for Employee Benefits		
Gratuity (Unfunded)	33,83,896	18,20,090
Leave Encashment (Unfunded)	11,70,115	7,15,000
	<u>45,54,011</u>	<u>25,35,090</u>

Note No: 8 Short Term Borrowings

Secured:

(a) Loan Repayable on Demand		
From Bank #	2,89,83,415	2,52,55,598
(b) From Others	-	30,00,00,000
Total Short Term Borrowings	<u>2,89,83,415</u>	<u>32,52,55,598</u>

Secured by hypothecation of Investments in Units of Mutual Funds. The rate of Interest is in the range of 10.25% to 11.00% per annum.

Note No: 9 Other Current Liabilities

Secured:

Current Maturities of Car Finance Loans(*)	24,79,468	13,40,817
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Unsecured:

(a) Deposits	5,27,000	8,76,728
(b) Income Received in Advance	2,45,815	4,08,283
(c) Unpaid Dividends #	23,04,746	25,79,157
(d) Other payables - Statutory Dues	6,98,406	15,60,114
(e) Other Liabilities	3,54,54,938	9,14,89,712
	<u>4,17,10,373</u>	<u>9,82,54,811</u>

(*) Car finance Loans from Bank were taken during the financial year 2013-14 and are repayable in 36 monthly instalments with interest. The rate of interest is 10.50% per annum and last instalment is due on August - 2016. During the current financial year 2015-2016, a car finance loan was taken from a Company repayable in 12 monthly instalments with interest @ 4.0337% per annum and the last instalment is due in December - 2016. These loans are secured by hypothecation of specific Vehicles acquired.

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

Note No: 10 Short Term Provisions

(a) Provision for Employee Benefits	1,01,22,872	79,00,403
(b) Proposed Dividend	1,12,62,825	45,05,130
(c) Tax on Distributed Profits	22,92,851	9,17,141
(d) Provision for Wealth Tax	-	12,14,274
	<u>2,36,78,548</u>	<u>1,45,36,948</u>

Note No: 11 FIXED ASSETS											
DESCRIPTION	GROSS BLOCK - AT COST				DEPRECIATION / AMORTIZATION					NET BLOCK	
	As At 01.04.2015	Additions	Disposals/ Transfers	As At 31.03.2016	As At 01.04.2015	For the Year	Transfer from Surplus	On disposals/ Transfers	Upto 31.03.2016	As At 31.03.2016	As At 31.03.2015
	(₹)	(₹)	(₹)	(₹)	(₹)	(₹)	(₹)	(₹)	(₹)	(₹)	(₹)
A Tangible Assets											
Land	2,99,31,717	-	-	2,99,31,717	-	-	-	-	-	2,99,31,717	2,99,31,717
	<i>2,99,11,970</i>	<i>19,747</i>	<i>-</i>	<i>2,99,31,717</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>2,99,31,717</i>	<i>2,99,11,970</i>
Buildings	7,34,57,213	1,76,12,601	5,59,40,160	3,51,29,654	1,34,65,197	41,61,130	-	80,61,479	95,64,848	2,55,64,806	5,99,92,016
	<i>8,92,34,310</i>	<i>38,32,400</i>	<i>1,96,09,497</i>	<i>7,34,57,213</i>	<i>1,23,42,760</i>	<i>15,30,382</i>	<i>-</i>	<i>4,07,945</i>	<i>1,34,65,197</i>	<i>5,99,92,016</i>	<i>7,68,91,550</i>
Plant and Equipments @	9,47,77,087	20,98,11,764	1,28,92,832	29,16,96,019	7,25,69,559	3,36,32,715	-	1,14,26,848	9,47,75,426	19,69,20,593	2,22,07,528
	<i>9,76,80,025</i>	<i>67,34,332</i>	<i>80,58,239</i>	<i>9,63,56,118</i>	<i>6,81,33,068</i>	<i>94,72,977</i>	<i>22,74,857</i>	<i>57,32,311</i>	<i>7,41,48,591</i>	<i>2,22,07,527</i>	<i>2,95,46,957</i>
Furniture and Fixtures	2,88,82,952	5,05,482	1,24,55,476	1,69,32,958	1,76,24,643	27,73,248	-	1,05,76,916	98,20,975	71,11,983	1,12,58,309
	<i>3,30,54,063</i>	<i>86,47,218</i>	<i>1,28,18,329</i>	<i>2,88,82,952</i>	<i>2,46,91,476</i>	<i>30,40,811</i>	<i>9,35,950</i>	<i>1,10,43,594</i>	<i>1,76,24,643</i>	<i>1,12,58,309</i>	<i>83,62,587</i>
Vehicles	2,83,36,239	60,56,432	60,09,092	2,83,83,579	1,79,05,400	38,44,144	-	51,37,054	1,66,12,490	1,17,71,089	1,04,30,839
	<i>3,29,52,855</i>	<i>18,70,974</i>	<i>64,87,590</i>	<i>2,83,36,239</i>	<i>1,47,13,561</i>	<i>59,02,426</i>	<i>-</i>	<i>27,10,588</i>	<i>1,79,05,399</i>	<i>1,04,30,840</i>	<i>1,82,39,294</i>
TOTAL (A)	25,53,85,208	23,39,86,279	8,72,97,560	40,20,73,927	12,15,64,799	4,44,11,237	-	3,52,02,297	13,07,73,739	27,13,00,188	13,38,20,409
	<i>28,28,33,223</i>	<i>2,11,04,671</i>	<i>4,69,73,655</i>	<i>25,69,64,239</i>	<i>11,98,80,865</i>	<i>1,99,46,596</i>	<i>32,10,807</i>	<i>1,98,94,438</i>	<i>12,31,43,830</i>	<i>13,38,20,409</i>	<i>16,29,52,358</i>
@ Includes Office Equipments											
B Intangible Assets:											
Brands / Trade Marks	7,81,867	3,50,000	-	11,31,867	7,81,867	39,841	-	-	8,21,708	3,10,159.00	-
	<i>7,81,867</i>	<i>-</i>	<i>-</i>	<i>7,81,867</i>	<i>7,81,867</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>7,81,867</i>	<i>-</i>	<i>-</i>
Computer Software	48,87,499	22,50,067	-	71,37,566	35,05,664	16,97,350	-	-	52,03,014	19,34,552	13,81,835
	<i>16,51,311</i>	<i>16,57,157</i>	<i>1,03,254</i>	<i>32,05,214</i>	<i>15,55,644</i>	<i>2,79,956</i>	<i>-</i>	<i>12,221</i>	<i>18,23,379</i>	<i>13,81,835</i>	<i>95,667</i>
TOTAL (B)	56,69,366	26,00,067	-	82,69,433	42,87,531	17,37,191	-	-	60,24,722	22,44,711	13,81,835
	<i>24,33,178</i>	<i>16,57,157</i>	<i>1,03,254</i>	<i>39,87,081</i>	<i>23,37,511</i>	<i>2,79,956</i>	<i>-</i>	<i>12,221</i>	<i>26,05,246</i>	<i>13,81,835</i>	<i>95,667</i>
TOTAL (A + B)	26,10,54,574	23,65,86,346	8,72,97,560	41,03,43,360	12,58,52,330	4,61,48,428	-	3,52,02,297	13,67,98,461	27,35,44,899	13,52,02,244
<i>Previous Year</i>	<i>28,52,66,401</i>	<i>2,27,61,828</i>	<i>4,70,76,909</i>	<i>26,09,51,320</i>	<i>12,22,18,376</i>	<i>2,02,26,552</i>	<i>32,10,807</i>	<i>1,99,06,659</i>	<i>12,57,49,076</i>	<i>13,52,02,244</i>	<i>16,30,48,025</i>
Capital Work In progress										3,64,11,217	23,07,07,141
Intangible Asset Under Development										14,18,750	-

Figures for the previous year are given in italics

(CONSOLIDATED)



As at March 31, 2016

As at March 31, 2015

Note No: 12 Non - Current Investments	Face Value (₹)	No. of Shares	₹	No. of Shares	₹
A. Trade Investments: Fully Paid At Cost in Associate Company-Unquoted					
(a) In Equity Instruments					
Guangzhou Modern Trading Co. Limited			-		22,92,162
Total of Trade Investments - Unquoted			-		<u>22,92,162</u>
B. Other Investments: At Cost-Unquoted					
(i) In Fully paid up Equity Instruments of Companies - Unquoted					
Equity Shares of The Shamrao Vithal Co-op Bank Ltd.	25	20000	5,00,000	20000	5,00,000
Total of Other Investments - Unquoted			<u>5,00,000</u>		<u>5,00,000</u>
(ii) In Fully paid up Tax Free Bond - Quoted					
HUDCO - 7.39% - 15 YEARS	1,000	1506	15,06,000		-
IRFC - 7.35% - 15 YEARS	1,000	588	5,88,000		-
NABARD - 7.35% - 15 YEARS	1,000	501	5,01,000		-
NHAI - 7.29% - 15 YEARS	1,000	771	7,71,000		-
			<u>33,66,000</u>		<u>-</u>
(iii) In Fully paid up Equity Investments of Companies - Quoted					
Shipping Corpn. of India Ltd	10	12,841	17,97,740	12,841	17,97,740
Moil Ltd	10	520	1,95,000	520	1,95,000
Colgate Palmolive	1	10,546	1,04,20,642	-	-
Coal India Ltd	10	10,000	32,14,148	-	-
Hindustan Zinc Ltd	2	7,500	13,83,789	-	-
Ajanta Pharma Ltd	2	309	4,48,318	-	-
Amara Raja Batteries Ltd	1	510	4,45,764	-	-
Asian Paints Ltd	1	636	4,96,276	-	-

(CONSOLIDATED)



		As at March 31, 2016		As at March 31, 2015	
Astral Poly Technik Ltd	1	1,052	4,06,071	-	-
Bajaj Finance Ltd	10	94	4,05,022	-	-
Bharat Forge Ltds	2	534	5,95,926	-	-
Britannia Industries Ltd	2	139	4,54,290	-	-
Bajaj Finserve Ltd	10	125	2,48,571	-	-
Dabur India Ltd	1	1,642	4,61,002	-	-
Eicher Motors Ltd	10	28	4,85,517	-	-
Hevells India Ltd	1	1,584	4,35,292	-	-
Indusind Bank Ltd	10	567	4,94,106	-	-
Kotak Mahindra Bank Ltd	5	776	5,36,003	-	-
Lupin Ltd	2	366	6,39,501	-	-
Motherson Sumi Systems Ltd	1	1,880	5,94,995	-	-
P I Industries Ltd	1	891	6,06,369	-	-
Page Industries Ltd	10	43	6,23,624	-	-
Pidilite Industries Ltd	1	882	4,92,439	-	-
Shree Cement Ltd	10	23	2,58,238	-	-
Sun Pharma Ltd	1	636	6,19,872	-	-
Total			2,67,58,517		19,92,740
C. In Units of Mutual Funds - Unquoted At Cost	No. of Units	₹	No. of Units	₹	
Milestone Real Estate Fund.	1737	17,37,000	2438	24,38,000	
India REIT Mumbai Redevelopment Fund	73.99	73,99,030	70	70,00,000	
ICICI Prudential Real Estate Scheme - 1	510000	51,09,222	510000	51,09,222	
BSL Short Term Opportunities Fund - Growth	-	-	710208.59	1,35,00,000	
Franklin Templeton India Income Opportunities Fund	-	-	1215340	1,65,00,000	
Franklin Templeton India Short Term Income Plan	-	-	4134.641	1,00,00,000	
Franklin Templeton Corporate Bond Opp - Growth	-	-	667283.41	88,12,478	
ICICI Prudential Long Term Gilt Fund	-	-	296576.55	1,25,00,000	
HDFC Corporate Debts Opportunities Fund-Regular-Growth	699710.495	80,00,000	-	-	
HDFC Short Term Plan - Growth	253692.126	70,00,000	-	-	
HDFC Gilt Fund - Long Term - Growth	497418.399	1,50,00,000	-	-	
Kotak Medium Term Fund - Regular - Growth	612648.567	70,00,000	-	-	
Reliance Dynamic Bond Fund - Growth	800247.543	1,50,00,000	-	-	
Reliance Gilt Securities Fund - Growth	524188.687	1,00,00,000	-	-	
UTI Bond Fund - Growth	360243.525	1,50,00,000	-	-	
Ambit Alpha Fund	-	1,03,01,604	-	-	
Total		10,15,46,856		7,58,59,700	
Total Non Current Investments (A+B+C)		13,21,71,373		8,06,44,602	
Aggregate amount of quoted investments		3,01,24,517		19,92,740	
Market Value of Quoted Investments		2,68,24,607		7,36,236	
Aggregate amount of unquoted investments A+B (I)+C		10,20,46,856		7,86,51,862	

	As at March 31, 2016	As at March 31, 2015
	₹	₹
Note No: 13 Deferred Tax (Assets) - Net:		
Deferred Tax Liabilities		
(i) Difference between Net Block of Fixed Assets	4,26,93,607	1,29,40,282
(ii) Capital Gains Tax Liability	3,40,565	3,40,565
Gross Deferred Tax Liability	4,30,34,172	1,32,80,847
Deferred Tax Assets		
(i) Expenditure under section 43B of the Income Tax Act, 1961	9,07,625	4,54,879
(ii) Unabsorbed Depreciation / Business Loss	5,56,30,534	2,67,61,537
(iii) Others	9,64,368	8,04,423
Gross Deferred Tax Assets	5,75,02,527	2,80,20,839
Net Deferred Tax (Assets)	(1,44,68,355)	(1,47,39,992)

Deferred Tax Asset is recognized on the basis of future income from development of Stock in Trade of Real Estate Business and from sale of Residential Flats.

Note No: 14 Long Term Loans and Advances

(a) Security Deposits - Unsecured considered good	3,56,59,983	3,54,01,283
(b) Income Tax payments including Tax Deducted at Source (Net of Provision for Tax of ₹ 1,87,71,156/-)	2,87,03,662	2,97,92,303
(c) Capital Advances	1,89,051	69,32,588
	6,45,52,696	7,21,26,174

Note No: 15 Other Non Current Assets

MAT Credit Entitlement	80,24,702	80,24,701
	80,24,702	80,24,701

Note No: 16 Current Investments

	Face Value (₹)	No. of Debentures	₹	No. of Debentures	₹
(i) In fully Paid up Debentures - Unquoted					
Peninsula Land Limited	250000		-	5	12,50,000
Total Current Investments			-		12,50,000
Aggregate amount of quoted investments			-		-
Market Value of Quoted Investments			-		-
Aggregate amount of unquoted investments			-		12,50,000

(CONSOLIDATED)



	As at March 31, 2016	As at March 31, 2015
	₹	₹
Note No: 17 Inventories		
(a) Stock in trade (Trading)	39,68,336	41,07,716
(At the lower of Cost and Net Realizable Value)		
(b) Real Estate Business:		
(i) Land & Structures	7,91,95,056	6,71,95,055
(At the lower of Book and Net Realizable Value)		
(ii) Land & Structures		
(At the lower of Cost and Net Realizable Value)	2,98,83,614	2,94,99,614
(iii) Unsold Flat	1,85,40,974	1,85,40,974
(At the lower of Cost and Net Realizable Value)		
(iv) Land	2,02,68,697	2,02,68,697
(At the lower of Book and Net Realizable Value)		
(c) Renewable Energy Certificates	1,31,91,025	-
(At Net Realizable Value)		
(d) Stores	1,46,658	1,60,744
(At the lower of Cost and Net Realizable Value)		
	<u>16,51,94,359</u>	<u>13,97,72,800</u>
Note No: 18 Trade Receivables - Unsecured considered Good:		
(i) Over six months - Note No. 31	14,53,46,658	14,20,14,319
(ii) Others	33,53,85,559	13,20,45,270
	<u>48,07,32,217</u>	<u>27,40,59,589</u>
Note No: 19 Cash and Bank Balances		
(i) Cash and Cash Equivalents:		
(a) Balances with Banks	4,56,74,705	81,63,187
(b) Cash on Hand	21,80,985	14,53,705
(c) Units of Liquid Mutual Funds	1,07,03,019	90,00,000
(ii) Earmarked balances with Banks	8,81,12,697	7,73,44,829
Consists of Unclaimed Dividends ₹ 23,04,746/-)		
	<u>14,66,71,406</u>	<u>9,59,61,721</u>

(CONSOLIDATED)



	As at March 31, 2016	As at March 31, 2015
	₹	₹
Note No: 20 Short Term Loans and advances		
Secured, Considered Good:		
Inter Corporate Deposit	1,24,08,778	
Less: Provision for Fall in value of Security (Secured against Marketable Equity Shares and Land)	<u>1,15,00,000</u>	9,08,778
		1,29,08,778
Unsecured considered good:		
(a) Inter Corporate Deposits	2,13,59,014	10,77,67,878
(b) Advances Recoverable in Cash or in kind or for value to be received	9,39,60,470	5,80,34,850
	<u>11,62,28,262</u>	<u>17,87,11,506</u>
Note No: 21 Other Current Assets		
Other Receivables	5,41,83,962	
Less: Considered Doubtful	<u>2,85,000</u>	5,38,98,962
		4,05,80,538
	<u>5,38,98,962</u>	<u>4,05,80,538</u>
Note No: 22 Contingent Liabilities:		
Corporate Guarantee of USD 5.6 Mio given by the Company to Indian Overseas Bank, Hong Kong on behalf of Wholly Owned Subsidiary M/s. Modern International (Asia) Limited.	37,14,64,240	50,07,26,400
	<u>37,14,64,240</u>	<u>50,07,26,400</u>
Note No: 23 Capital & Other Commitments:		
Estimated Value of Contracts in Capital Account remaining to be executed and not provided for Net of Capital Advances of ₹ 1,89,051/-	4,56,250	66,69,615
Other Commitments (Net of Advances of ₹ 15,00,000/-)	5,00,000	-

	2015-2016	2014-2015
	₹	₹
Note No: 24 Revenue from Operations		
(a) Sale of Products	1,48,86,83,860	1,95,68,85,736
(b) Revenue from Renewable Energy Generation	2,22,20,948	-
(c) <u>Sale of Services:</u>		
(i) Income from Background Check Services	18,53,41,129	14,85,54,904
(ii) Vocational Training Fees	9,71,369	54,78,174
(iii) Income from Real Estate Business	2,83,516	2,57,150
(d) Other Operating Revenues		
Rent Income	14,89,904	1,85,73,817
	<u>1,69,89,90,726</u>	<u>2,12,97,49,781</u>
Note No: 25 Other Income		
(a) Interest Income	2,05,82,582	3,45,83,731
(b) Dividend Income (Note No. 30)	11,07,280	5,49,568
(c) Net gain on sale of investments:		
Profit on sale of Non Current Investments	1,12,56,622	58,97,173
Profit on Sale of Property	7,05,000	4,90,500
(d) Other Non-operating Income:		
(i) Commission	1,09,193	67,13,305
(ii) Provision no longer required Written Back	3,81,400	3,274
(iii) Profit on Sale of Fixed Assets	12,40,75,797	3,77,19,907
(iv) Miscellaneous income	15,13,210	28,11,090
	<u>15,97,31,084</u>	<u>8,87,68,548</u>
Note No: 26 (Increase) / Decrease in Inventories		
<u>Inventories at the end of the Year</u>		
(a) Traded Goods	39,68,336	41,07,716
(b) Real Estate Business		
(i) Land & Structure	7,91,95,056	6,71,95,055
(ii) Land & Structure	2,98,83,614	2,94,99,613
(iii) Unsold Flat	1,85,40,974	1,85,40,974
(iv) Land	2,02,68,697	2,02,68,697
(c) Stores	1,46,657	1,60,744
(d) Renewable Energy Certificates	1,31,91,025	-
	<u>16,51,94,358</u>	<u>13,97,72,799</u>
<u>Inventories at the beginning of the Year</u>		
(a) Traded Goods	41,07,716	45,14,543
(b) Real Estate Business		
(i) Land & Structure	6,71,95,056	6,64,26,035
Less: Transferred to Fixed Assets	-	(19,747)
	<u>6,71,95,056</u>	<u>6,64,06,288</u>
(ii) Land & Structure	2,94,99,614	2,86,77,879
(iii) Unsold Flat	1,85,40,974	1,85,40,974
(iv) Land	2,02,68,697	2,02,68,697
(c) Stores	1,60,744	1,94,445
	<u>13,97,72,801</u>	<u>13,86,02,826</u>
(Increase) / Decrease in Inventories	(2,54,21,558)	(11,69,973)

(CONSOLIDATED)



	2015-2016	2014-2015
	₹	₹
Note No: 27 Employee Benefit Expenses:		
(Including Managing Director's Remuneration - Note No. 33)		
Salaries & Wages	12,06,64,183	10,95,15,752
Contribution to Provident and other funds	50,00,269	39,22,206
Gratuities	18,87,026	26,94,061
Staff Welfare Expenses	27,06,866	22,74,897
	<u>13,02,58,344</u>	<u>11,84,06,916</u>
Note No: 28 Finance Cost:		
Interest Expenses	4,42,57,908	3,04,67,579
Other Borrowing Cost	37,35,064	91,39,843
	<u>4,79,92,972</u>	<u>3,96,07,422</u>
Note No: 29 Other Expenses:		
Stores Consumed	6,669	43,099
Power & Fuel	42,44,144	45,81,089
Rent	1,87,92,517	1,35,81,284
Water Charges	4,25,817	13,56,036
Repairs to:		
Machinery	24,49,409	6,11,577
Buildings	26,50,603	37,38,193
Others	6,84,722	17,92,706
	<u>57,84,734</u>	<u>61,42,476</u>
Insurance	19,30,343	10,66,925
Rates and Taxes, excluding taxes on income	72,20,970	70,89,342
Real Estate Business Expenses	1,23,84,000	-
Travelling & Conveyance	83,91,004	97,16,132
Legal and Professional Charges	2,79,73,895	3,77,89,966
Donation	4,01,000	54,978
Corporate Social Responsibility Expenses-Note No.32	3,76,250	1,50,000
Directors Sitting Fees	28,15,792	13,70,792
Directors Commission	-	52,421
Loss on Sale of Non Current Investments (Net)	36,526	(2,46,728)
Bad Debts Written Off	-	9,04,386
Payment to Auditors:		
- Audit Fees	10,48,822	7,83,543
- Tax Audit Fees	57,500	56,180
- Other Services	6,45,383	2,75,282
- Reimbursement of expenses	16,359	19,454
	<u>17,68,064</u>	<u>11,34,459</u>
Miscellaneous Expenses	3,71,48,770	4,62,59,293
	<u>12,97,00,495</u>	<u>13,10,45,950</u>

Note No: 30 Dividend consists of dividend on (i) Current Investments ₹ 4,12,364/- and (ii) Non Current Investments ₹ 6,94,916/-.

Note No: 31 Out of the sum of ₹ 13,77,45,554/- a sum of ₹ 13,59,50,849/- (Net of ₹ 93,60,905/- recovered till date) is outstanding as receivable in respect of Commodities Trading Transactions done on National Spot Exchange Limited (NSEL). The Company has filed a representative suit in the Hon'ble Bombay High Court for recovery of the same. Time limit for Ministry of Corporate Affairs (MCA) to pass Order under Section 396 of the Companies Act, 1956 is extended to 30th June, 2016. In the meanwhile various decrees have been passed by the High Court of Bombay against defaulters, including for sale of commodities and assets which are in process. Various agencies including Economic Offence Wing and Enforcement Directorate are also in process of liquidating assets of defaulters. However considering uncertainties involved in making any reliable estimate of amount recoverable provision if any, will be considered at an appropriate time on the basis of resultant outcome. Until then the dues are considered as good.

Note No: 32 During the year, the Company has Donated ₹ 3,76,250/- as a part of Corporate Social Responsibility to Vijay Jatia Foundation for Repairing of School Building.

Note No: 33 Managing Director's Remuneration:

	2015-16	2014-15
	₹	₹
(i) Salary	55,20,000	55,20,000
(ii) Contribution to Provident Fund	6,62,400	6,62,400
(iii) Perquisites	21,67,625	22,17,600
	<u>83,50,025</u>	<u>84,00,000</u>

Note No:34 Segment Information for the Year ended 31st March, 2016

Primary Segment reporting - Business Segments

Particulars	Amount (₹)					
	Renewable	Background	Real Estate	Trading	Unallocated /	Total
	Energy	Check Services		Corporate		
A) Segment Revenue:						
External Sales / Income from Operations	22220948	185341129	283516	1488683860	2461273	1698990726
	-	148554904	257150	1956818697	24119030	2129749781
Other Income -	6031947	6443767	1224711	146030659	159731084	
	-	3481954	5049693	6724665	73758964	89015276
Total	22220948	191373076	6727283	1489908571	148491932	1858721810
	-	152036858	5306843	1963543362	97877994	2218765057
B) Segment Results:						
Profit/(Loss) before Depreciation, Taxes & exceptional items	1951616	25064882	5448864	4847809	40316844	77630015
	-	10959535	2944199	10345385	(29194024)	(4944905)
Depreciation	28022527	6518832	22557	-	11584512	46148428
	-	5096552	61755	-	15068245	20226552
Profit / (Loss) before Taxes and Exceptional items	(26070911)	18546050	5426307	4847809	28732332	31481587
	-	5862983	2882444	10345385	(44262269)	(25171457)
C) Other Information:						
Segment Assets	210903018	113657134	307666873	590478923	506821917	1729527865
	-	94208550	298810664	351003997	764253464	1508276675
Segment Liabilities	1277569	28444004	761279031	306604575	145104385	1242709564
	-	17361375	550100879	78364325	389932231	1035758810
Capital Expenditure	209900751	8770329	-	-	17915266	236586346
	-	8018239	-	-	14743589	22761828
Depreciation	28022527	6518832	22557	-	11584512	46148428
	-	5096552	61755	-	15068245	20226552
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) Trading - Consists of Trading in all Products and Commodities b) Real Estate - comprising of Property Development and carrying on business or activities in real estate business of all types c) Generation of Renewable Energy and d) Background check services.
- (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).

	Current Year			Previous Year		
	India	Rest of the world	Total	India	Rest of the world	Total
Revenue	990677763	708312963	1698990726	2129749781	-	2129749781
Capital Expenditure	236586346	-	236586346	22761828	-	22761828
Carrying Amount of Segment Assets	1429818239	299709626	1729527865	1508276675	-	1508276675

Note No: 35 Earning Per Share:

Earning Per Share has been calculated as under:

(a) Profit / (Loss) After Taxation and Exceptional Items	2,00,26,292	(99,05,540)
(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)	0.53	(0.26)

Note No: 36 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. Pvt. Ltd.
- (iii) Modern Derivatives & Commodities Pvt. Ltd.
- (iv) Alcyone Trading Co. Pvt. Ltd.
- (v) Camellia Mercantile Pvt. Ltd.
- (vi) Candescend Traders Pvt. Ltd.
- (vii) Ignatutius trading Co. Pvt. Ltd.
- (viii) Sarat Leasing & Finance Pvt. Ltd.
- (ix) Vedant Mercantile Pvt. Ltd.
- (x) Buildmat Infra India Pvt. Ltd.

B) Key Management Personnel & Relatives :

- (i) Mr. Vijay Kumar Jatia - Chairman & Managing Director.
- (ii) Mrs. Gauri Jatia - Director.
- (iii) Mr. Sidhant Jatia - President
- (iv) Mr. Mudit Jatia - President

Note: In respect of above parties, there is no provision for doubtful debts as on March 31, 2016 and no amount has been written off or written back during the year in respect of debts due from / to them.

(CONSOLIDATED)



ii) Related Party Transactions: (Amount in ₹)

	Buildmat Infra India Pvt. Ltd.	Key Management Personnel	Relatives of Key Management Personnel	Total
1 Sale of Fixed Assets	33,656 <i>18,83,250</i>			33,656 <i>18,83,250</i>
2 Managerial Remuneration		8350025 <i>8400000</i>		83,50,025 <i>84,00,000</i>
3 Directors Sitting Fees		60000 <i>20000</i>	240000 <i>100000</i>	3,00,000 <i>1,20,000</i>
4 Salaries		24000000 <i>24000000</i>	9289200 <i>9619568</i>	3,32,89,200 <i>3,36,19,568</i>

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

Note No: 37 Figures of the previous year have been regrouped and rearranged wherever necessary.

Signature to Notes 1 to 45

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

Satish Kelkar
Partner
M. No. 38934
Mumbai, dated 26th May, 2016

Parind Badshah
Vice President & Company Secretary
N. K. Deora
Sr. Vice President & Chief Financial Officer

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

Directors
A. Didwania **R. R. Doshi**
P. K. Bubna **S. D. Israni**
Gauri Jatia **K. Kalyaniwalla**

Mumbai, dated 26th May, 2016



MODERN INDIA LTD

MODERN INDIA LIMITED

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

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

CIN : L17120MH1933PLC002031 Tel. No. : 022 67444200 Fax : 022 67444300;

Email : info@modernindia.co.in; website: www.modernindia.co.in

ATTENDANCE SLIP

PLEASE FILL ATTENDANCE SLIP AND HAND IT OVER AT THE ENTRANCE OF THE MEETING HALL

Joint Shareholders may obtain additional Slip at the venue of the meeting

DP Id*	
Client Id*	
Folio No.	
No. of Shares	

Name and Address of Shareholder:

I hereby record my presence at the 82nd Annual General Meeting of the Company held on Friday, 22nd July, 2016 at 4:00 pm at M.C.Ghia Hall, 4th Floor, K. Dubash Marg, Kala Ghoda, Mumbai-400 001.

*Applicable for investors holding shares in electronic form.

Signature of Shareholder/Proxy

MGT-11 - PROXY FORM

(Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules 2014)



MODERN INDIA LIMITED

Registered Office: Modern Centre, Sane Guruji Marg, Mahalaxmi, Mumbai-400011
Corporate Office: 1, Mittal Chambers, 228, Nariman Point, Mumbai-400 021.
CIN : L17120MH1933PLC002031 Tel. No. : 022 67444200 Fax : 022 67444300;
Email : info@modernindia.co.in; website: www.modernindia.co.in

Name of the Member(s)	
Registered address	
e-mail Id	
DP Id*	
Folio No./Client Id*	

I / We, being the Member(s) of _____ shares of Modern India Limited, hereby appoint:

1. _____ of _____ having e-mail id _____ or failing him
2. _____ of _____ having e-mail id _____ or failing him
3. _____ of _____ having e-mail id _____

and whose signature(s) are appended below as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 82nd Annual General Meeting of the Company, to be held on Friday, 22nd July, 2016 at 4:00 pm at M.C.Ghia Hall, 4th Floor, K.Dubash Marg, Kala Ghoda, Mumbai-400 001 and at any adjournment thereof in respect of such resolutions as are indicated below:

Sr.No.	Resolution	For	Against
1.	To receive, consider and adopt the Financial Statements (including Audited Consolidated Financial Statements) for the year ended 31 st March, 2016 and the reports of the directors and the Auditors thereon.		
2.	Declaration of Dividend on the Equity Shares		
3.	Re-appointment of Smt. Gauri Jatia(DIN: 00096766) Director of the Company, who retires by rotation		
4.	To ratify the Appointment of Auditor and to fix their remuneration		

*Applicable for investor holding shares in electronic form.

Signed this _____ day of _____ 2016

Revenue
Stamp
One
Rupee

Signature of Shareholder

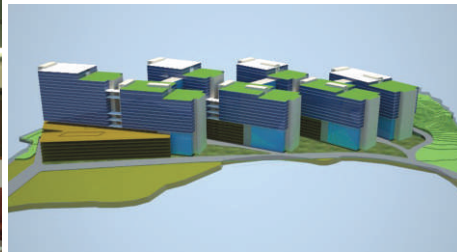
Signature of first
proxy holder

Signature of second
proxy holder

Signature of third
proxy holder

Notes:

1. **This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company not less than 48 hours before the commencement of the meeting.**
2. **A Proxy need not be a member of the Company.**
3. A person can act as proxy on behalf of the Member not exceeding fifty and holding in the aggregate not more than 10% of the total share capital of the Company carrying voting rights. A member holding more than 10% of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.
4. *This is only optional. Please put a "X" in the appropriate column against the resolutions indicated in the Box. If you leave the "For" or 'Against" column blank against any or all the resolutions, your proxy will be entitled to vote in the manner as he/she thinks appropriate.
5. Appointing a proxy does not prevent a member from attending the meeting in person if he so wishes.
6. In the case of joint holders, the signature of any one holder will be sufficient, but names of all the joint holders should be stated.





MODERN[®]INDIA LTD

*Evolution is the name of game.
This mark symbolically represents the very nature
of development, which is in the form of swirls,
the colour adding meaning to the form.
Orange and Yellow are vibrant and successive,
depicting a sequence, a process.*

Registered Office: Modern Centre, Sane Guruji Marg, Mahalaxmi, Mumbai-400011
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Email : info@modernindia.co.in website: www.modernindia.co.in,