



MODERN[®] INDIA LTD

83rd Annual Report 2016-2017



BOARD OF DIRECTORS



Mr. Vijay Kumar Jatia
Chairman & Managing Director



Mr. Anand Didwania
Director



Mr. Shivkumar Israni
Director



Mrs. Gauri Jatia
Director



Mr. Rajas R. Doshi
Director



Mr. Kaiwan Kalyaniwalla
Director



Mr. Pradip Kumar Bubna
Director

BANKERS

PUNJAB NATIONAL BANK
SVC CO-OPERATIVE BANK LTD
KOTAK MAHINDRA BANK LTD
BARCLAYS BANK PLC
YES BANK LTD
ICICI BANK LTD

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

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FROM THE DESK OF THE CHAIRMAN

My dear fellow Shareholders,

This past year has been very challenging, whilst markets are on an upward trajectory, fear is looming large on business houses with regards to reforms process. The move of the government with regards to demonetization and the overall readiness of the GST regime are weighing in large on corporate houses. It is heartening to learn that our country's tryst with GST is finally seeing the light of day. Volatility in global markets seem to be stabilizing although it may be wise to tread a cautious path as the business environment is heading towards a sustainable high growth era.

The NSEL debacle continues as the prolonged hearings of the merger writ continues. The company's valuable resources being stuck have caused a major impact on the financials of the company. We are hopeful that the initiatives taken by the company will bear some result and the investors shall get their money back at the earliest.

The government has recently notified the Real Estate Regulatory Act (RERA) and has subjected all existing and new real estate developments to its provision. The company is taking adequate measures to ensure that it is in full compliance of the law. The company is on track to complete the redevelopment of its South Mumbai properties and is in the process of taking clearances for its Boisar project.

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

Your company's subsidiary M/s Verifacts Services Pvt Ltd has achieved a turnover of ₹2144.11 lakhs as against ₹1853.41 lakhs in the corresponding previous year, a growth of 15.68%. We hope to continue the growth trajectory that we are on. We have initiated many new measures and are moving swiftly towards digitization and automation of operations to ensure that we continue to have a competitive edge.

Your overseas subsidiary M/s Modern International (Asia) Ltd has posted robust growth in revenues and posting sales by registering a turnover of US \$ 24.27 million for the year 2016-17 as against US\$ 10.82 million for the year 2015-16, a growth of 120%. We have taken various new steps to make sure that we continue on the path of growth and are certain of maintaining this momentum.

The company on a standalone basis has achieved turnover of ₹5694.29 lakhs as against ₹8053.36 lakhs in the year 2015-16. Unfortunately the company has sustained a loss of ₹435.25 lakhs after tax in the past financial year; however we are optimistic that these losses will be contained and the Company will see a turnaround once the project commences. The Directors are pleased to recommend a dividend of 15% for the year.

As always, we shall continue to strive to improve our performance.

Best Wishes,

Vijay Kumar Jatia

Chairman and Managing Director

NOTICE

NOTICE is hereby given that the 83rd Annual General Meeting of the Members of Modern India Limited will be held at Kamalnayan Bajaj Hall, Bajaj Bhavan, Ground Floor, Nariman Point, Mumbai-400021 on **Tuesday, the 08th day of August, 2017 at 4:00 pm** to transact the following business.

ORDINARY BUSINESS

1. To receive, consider and adopt the Financial Statements (including Audited Consolidated Financial Statements) for the year ended 31st March, 2017, along with the report of the Board and the Auditors.
2. To declare dividend for the year ended 31st March, 2017
3. To appoint a Director in place of Shri. Pradip Kumar Bubna (DIN:00135014) who retires by rotation, and being eligible, offers himself for re-appointment.
4. Appointment of Statutory Auditors of the Company

To consider and, if thought fit, to pass the following resolution as an Ordinary Resolution:

“RESOLVED THAT pursuant to the provisions of Section 139 and other applicable provisions, if any, of the Companies Act, 2013 (“Act”) and the Companies (Audit and Auditors) Rules, 2014, as amended from time to time, M/s. Khandelwal Jain & Co, Chartered Accountants (Firm Registration No. 105049W), be and are hereby appointed as Auditors of the Company in place of the retiring auditors M/s K. S. Aiyar, Chartered Accountants (Firm Registration No. FRN:100186W), to hold office from the conclusion of this Annual General Meeting (“AGM”) till the conclusion of the 88th AGM (subject to ratification of their appointment at every AGM, if so required under the Act), at such remuneration, as may be mutually agreed between the Board of Directors of the Company and the Auditors.”

SPECIAL BUSINESS

5. To consider and if thought fit, to pass, the following Resolution as an **Ordinary Resolution**

CONSENT FOR RE-APPOINTMENT AND PAYMENT OF REMUNERATION TO SHRI. SIDHANT JATIA

“RESOLVED THAT pursuant to the provisions of Section 188, and all other applicable provisions, if any of the Companies Act, 2013, read with the Companies (Meetings of Board and its Powers) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), consent of the Company be and is hereby accorded to Shri. Sidhant Jatia (relative of Shri. Vijay Kumar Jatia, Chairman & Managing Director and Smt. Gauri Jatia, Director of the Company) to hold and continue to hold an office or place of profit in the Company as President of the Company with effect from 01st October, 2017

RESOLVED FURTHER THAT Shri. Sidhant Jatia, President shall receive remuneration ranging from ₹ 84 lakhs p.a to ₹ 1.25 crores on a cost to company basis spread over a period of 3 years, as may be decided by the Board of Directors from time to time keeping in view the various perquisites provided including the amount of allowances, benefits, incentives, amenities, facilities and other perquisites provided by the Company or the cost whereof is borne by the Company, including leave encashment, contribution to provident fund, gratuity fund, superannuation fund, group insurance, etc. as are applicable to other employees in an equivalent salary scale or grade.

RESOLVED FURTHER THAT the Board shall have the authority from time to time (a) to make applicable to Shri. Sidhant Jatia such revisions in the aforesaid salary scale or grade together with revisions in such allowances, benefits, amenities, facilities and other perquisites including contribution to provident fund, gratuity fund, superannuation fund, etc. as are introduced from time to time in respect of employees of the Company in an equivalent salary scale or grade; and (b) to promote him to any higher position/designation or salary scale or grade in due course together with

such allowances, benefits, amenities, facilities and other perquisites including contribution to provident fund, gratuity fund, superannuation fund, etc. as are applicable to other employees in an equivalent salary scale or grade, with such annual increments as may be permissible under the rules or practices adopted by the Company or as the Board may deem fit and proper subject to the overall cost to the company not exceeding ₹ 1.25 crores per annum at any time.”

ITEM NO. 6

To consider and if thought fit, to pass the following Resolution as a **Ordinary Resolution**

CONSENT FOR RE-APPOINTMENT AND PAYMENT OF REMUNERATION TO SHRI. MUDIT JATIA

“**RESOLVED THAT** pursuant to the provisions of Section 188, and all other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Meetings of Board and its Powers) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), consent of the Company be and is hereby accorded to Shri. Mudit Jatia (relative of Shri. Vijay Kumar Jatia, Chairman & Managing Director and Smt. Gauri Jatia, Director of the Company) to hold and continue to hold an office or place of profit in the Company as President of the Company with effect from 1st October, 2017

RESOLVED FURTHER THAT Shri. Mudit Jatia, President shall receive remuneration ranging from ₹ 84 lakhs p.a to ₹ 1.25 crores on a cost to company basis spread over a period of 3 years, as may be decided by the Board of Directors from time to time keeping in view the various perquisites provided including the amount of allowances, benefits, incentives, amenities, facilities and other perquisites provided by the Company or the cost whereof is borne by the Company, including leave encashment, contribution to provident fund, gratuity fund, superannuation fund, group insurance, etc. as are applicable to other employees in equivalent salary scale or grade.

RESOLVED FURTHER THAT the Board shall have the authority from time to time (a) to make applicable to Shri. Mudit Jatia such revisions in the aforesaid salary scale or grade together with revisions in such allowances, benefits, amenities, facilities and other perquisites including contribution to provident fund, gratuity fund, superannuation fund, etc. as are introduced from time to time in respect of employees of the Company in equivalent salary scale or grade; and (b) to promote him to any higher position/designation or salary scale or grade in due course together with such allowances, benefits, amenities, facilities and other perquisites including contribution to provident fund, gratuity fund, superannuation fund, etc. as are applicable to other employees in equivalent salary scale or grade, with such annual increments as may be permissible under the rules or practices adopted by the Company or as the Board may deem fit and proper subject to the overall cost to the company not exceeding ₹ 1.25 crores per annum at any time.

ITEM NO.7

To consider and if thought fit, to pass the following Resolution as an **Ordinary Resolution**:

TO CHARGE A FEE FROM MEMEBERS OF THE COMPANY FOR SERVICE OF DOCUMENTS IN A PARTICULAR MODE.

“**RESOLVED THAT** pursuant to the provisions of Section 20 and other applicable provisions, if any, of the Companies Act, 2013 (“the Act”) and relevant rules prescribed thereunder, a fee of ₹ 50/- or such other amount as may be fixed by the Board of Directors plus the estimated expenses of delivery be charged to a member of the Company if such member request for delivery of any document through a particular mode, as provided under Section 20(2) of the Act provided however that such request along with the requisite fee has been duly received by the Company at least 10 days in advance of the dispatch of the document by the Company.

RESOLVED FURTHER THAT the Board of Directors of the Company be and are hereby authorized to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution.”

NOTES:

The Statement pursuant to Section 102(1) of the Companies Act, 2013 ("Act"), in respect of business set out in Item Nos. 5 to 7 of the accompanying Notice and the relevant details as required under Regulation 36 (3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") and Secretarial Standard on General Meetings (SS 2) issued by The Institute of Company Secretaries of India, of persons seeking appointment/re-appointment as Directors as set out in Item No. 3 of the Notice, are also annexed.

- 1) **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING IS ENTITLED TO APPOINT A PROXY/PROXIES TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY/PROXIES NEED NOT BE A MEMBER OF THE COMPANY. A person can act as proxy on behalf of Members not exceeding fifty(50) and holding in aggregate not more than ten percent of the total share capital of the Company.** IN CASE A PROXY IS PROPOSED TO BE APPOINTED BY A MEMBER HOLDING MORE THAN 10% OF THE TOTAL SHARE CAPITAL OF THE COMPANY CARRYING VOTING RIGHTS, THEN SUCH PROXY SHALL NOT ACT AS A PROXY FOR ANY OTHER PERSON OR SHAREHOLDER. The instrument appointing a proxy duly completed and signed should, however, be deposited at the Registered Office of the company not less than forty-eight hours before the commencement of the meeting. PROXIES SUBMITTED ON BEHALF OF THE COMPANIES, SOCIETIES, ETC. MUST BE SUPPORTED BY 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 – REGISTRAR AND TRANSFER AGENT OF MODERN INDIA LIMITED ON OR BEFORE 30TH SEPTEMBER, 2017.**
- 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 Saturday, 22.07.2017 to Tuesday, 08.08.2017 (both days inclusive), for determining the names of Members eligible for dividend on Equity Shares, if declared at Annual General Meeting.
- 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. **Tuesday the 08th August, 2017** 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 **21st July, 2017** 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 **22nd July, 2017**.

- 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 Section 124 of the Companies Act, 2013, by the Company to The Investor Education & Protection Fund, constituted by the Central Government under Section 125 of the Companies Act, 2013. The unclaimed Dividend for the year 2009-2010 is due to be transferred to the IEPF on **30th August, 2017**. Members wishing to claim dividends, which remain unclaimed for the year 2009-2010 and **2010-2011** 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 1154850 shares in 1922 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. As per IEPF Regulations the Company will be transferring the unclaimed shares to IEPF of those members who have not claimed any dividend during the last seven years. These shares can then be claimed by the Members by following the procedure prescribed under the IEPF Regulations.
- 14) As per the General Exemption granted by the Central Government vide the General Circular No. 2/2011 dated 8.2.2011, copy of Balance Sheet, Statement of Profit and Loss, and Board's Report and the Report of the Auditors of the Subsidiary Companies are not attached with the Annual Report of the Company. However, the Annual Reports of all the Subsidiary Companies are available for inspection at the Corporate Office of the Company to any Member of the Company. Further the Company will make available these documents to any Member upon request.
- 15) The Notice of the Annual General Meeting along with the Annual Report 2016-17 is being sent by electronic mode to those Members whose e-mail addresses are registered with the Company/Depositories, unless any Member has requested for a physical copy of the same. For Members who have not registered their e-mail addresses, physical copies are being sent by the permitted mode. Members may note that this Notice and Annual Report 2016-17 will also be available on the Company's website, www.modernindia.co.in
- 16) In compliance with provisions of Section 108 of the Companies Act, 2013 and the Rules framed thereunder, and Regulation 44 of Securities And Exchange Board of India (Listing Obligations And Disclosure Requirements) Regulations 2015, the Company is pleased to provide the Members the facility to exercise their right to vote at the 83rd Annual General Meeting (AGM) by electronic means and the business may be transacted through e-Voting Services provided by Central Depository Services Limited (CDSL).
- 17) 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.

18) All documents referred to in the accompanying Notice and the Explanatory Statement shall be open for inspection at the Registered Office of the Company during normal business hours (10.00 a.m to 5.00 p.m) on all working days except Saturdays and Sundays (including Public Holidays) up to the date of the Annual General Meeting.

By Order of the Board of Directors

Sd/-

PARIND BADSHAH

FCS:5414

Vice President & Company Secretary

Mumbai

Dated: 19thMay, 2017

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

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

ANNEXURE TO NOTICE

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

The following statement sets out all material facts relating to certain Ordinary Business and all the Special Businesses mentioned in the accompanying Notice:

Item no. 3

Shri. Pradip Kumar Bubna (DIN:00135014) director of the Company would retire by rotation at the ensuing Annual General Meeting in terms of Section 152(3) of the Act and is eligible for reappointment.

Shri. Pradip Kumar Bubna (DIN: 00135014), 59 years is qualified as a graduate in Commerce and has more than a decade of experience.

He was appointed on the Board of the Company with effect from 29.04.2002 .

During the year Shri. Pradip Kumar Bubna (DIN: 00135014) attended all 5 meetings of the Board of Directors of the Company.

Other directorship/ committee positions held by Shri.Pradip Kumar Bubna (DIN:00135014):

M/s. Shree Rani Sati Investment and Finance Ltd - Director

He holds 1230 equity shares in the Company.

Shri.Pradip Kumar Bubna (DIN:00135014) is interested in the said resolution as it relates to his own appointment. He is not related to any other director of the Company.

None of the Directors or Key Managerial Personnel (KMP) or relatives of directors and KMP is concerned or interested in the Resolution at Item No. 3 of the Notice.

This Explanatory Statement setting out material facts may also be regarded as a disclosure under Regulation 36 (3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Item no. 4

This explanatory statement is provided though strictly not required as per Section 102 of the Act.

M/s K. S. Aiyar, Chartered Accountants, Mumbai, (ICAI) (Registration No.100186W) have been the Auditors of the Company for more than 10 years.

As per the provisions of Section 139 of the Act, no listed Company can appoint or re-appoint an audit firm as auditor for more than two terms of five consecutive years. Section 139 of the Act has also provided a period of three years from the date of commencement of the Act to comply with this requirement. In view of the above, M/s K. S. Aiyar, Chartered Accountants can continue as an Auditor of the Company only up to the conclusion of the forthcoming Annual General Meeting AGM.

The Board of Directors has, based on the recommendation of the Audit Committee, at its meeting held on 19.05.2017, proposed the appointment of M/s. Khandelwal Jain & Co, Chartered Accountants, Mumbai, (ICAI Registration No.105049W), as the Statutory Auditors of the Company for a period of 5 years, to hold office from the conclusion of this AGM till the conclusion of the 88th AGM to be held in the year 2022 (subject to ratification of their appointment at every AGM, if so required under the Act).

M/s. Khandelwal Jain & Co, Chartered Accountants, Mumbai, (ICAI Registration No. 105049W), have consented to their appointment as Statutory Auditors and have confirmed that if appointed, their appointment will be in accordance with Section 139 read with Section 141 of the Act.

The Board commends the Ordinary Resolution set out at Item No. 4 of the Notice for approval by the Members.

None of the Directors or Key Managerial Personnel of the Company or their relatives is, in any way, concerned or interested in the Resolution at Item No. 4 of the Notice.

Item no. 5

Shri. Sidhant Jatia was appointed as President of the Company with effect from 1st October, 2014 by the shareholders of Company in the meeting held on 09th December, 2014 wherein his appointment and remuneration was approved by the Members through Special Resolution .

Shri. Sidhant Jatia is currently in charge of handling the subsidiaries of the Company and has also been given the authority to manage the operations of the Solar Power Plant at Satara. In view of his active participation, business development and growth of his role in the day to day management of the Company, it is proposed to renew his tenure as President.

As per the provisions of section 188 of the Companies Act, 2013 and the Rules made thereunder, any appointment of a relative of director to any office or place of profit in the company, its subsidiary company or associate company at a monthly remuneration exceeding two and half lakhs rupees shall be made with the prior approval of the shareholders by a Resolution.

It is therefore proposed to obtain the permission of the Members to re-appoint Shri. Sidhant Jatia to an office or place of profit in the company under section 188 of the Companies Act, 2013 by passing an Ordinary Resolution

Approval of the Members in General Meeting is sought to comply with these provisions.

The particulars of the contracts/transactions, pursuant to para 3 of Explanation (1) to Rule 15 of the Companies (Meetings of Board and its powers) Rules, 2014 are as under:

- 1 Name of the related party: **Shri. Sidhant Jatia.**
- 2 Name of the director or Key managerial Personnel who is related: **Shri. Vijay Kumar Jatia and Smt. Gauri Jatia**
- 3 Nature of relationship : **Son**
- 4 Monetary value: **Upto ₹ 1.25 crores per annum**
- 5 Nature, material terms and particulars of arrangement:

Contribution to Provident Fund, Superannuation Fund or Annuity Fund to the extent these either singly or put together are not taxable under the Income Tax Act, 1961.

Gratuity payable at the rate not exceeding half a month's salary for each complete year of service.

Earned privilege leave at the rate of one month's leave for every eleven months of service. Shri. Sidhant Jatia can accumulate a maximum of 90 days leave, as per rules of the Company.

Provision of Car with driver for business of the Company and Telephone at the residence of Shri. Sidhant Jatia shall not be treated as perquisites.

Any other information relevant or important for the members to make a decision on the proposed transaction:

Shri Sidhant Jatia is actively involved in the day to day activities of the Company and he is instrumental in setting up the Solar Power Plant. He is also handling the international business of export of construction material, luggage, textiles, etc. which is carried out through the subsidiary Modern International (Asia) Limited.

The memorandum of appointment of Shri. Sidhant Jatia is available for inspection on all working days during business hours at the registered office of the Company except for Saturday and Sunday.

Shri. Vijay Kumar Jatia and Smt. Gauri Jatia shall be regarded as interested in the said resolutions being relatives of Shri. Sidhant Jatia. None of the other directors and Key Managerial Personnel or their relatives are in any way concerned or interested in the resolution.

The Board recommends the said Ordinary Resolution for your approval.

Item no. 6

Shri. Mudit Jatia, was appointed as President with effect from 1st October, 2014 by the shareholders of Company in the meeting held on 09th December, 2014 wherein his appointment and remuneration was approved by the Members through Special Resolution.

Shri Mudit Jatia is currently in charge of handling the various business activities of Modern India Limited especially the development and execution of the Boisar project and also the proposed Development project of properties situated at Mahalaxmi, Mumbai.

In view of his active participation, business development and growth of his role in the day to day management of the Company, it is proposed to renew his tenure as President of the Company.

As per the provisions of section 188 of the Companies Act, 2013 and the Rules made thereunder, any appointment of a relative of director to any office or place of profit in the company, its subsidiary company or associate company at a monthly remuneration exceeding two and half lakhs rupees shall be made with the prior approval of the shareholders by a Resolution.

It is therefore proposed to obtain the permission of the members to re-appoint Shri. Mudit Jatia to an office or place of profit in the company under section 188 of the Companies Act, 2013 by passing an Ordinary Resolution.

Approval of the members in General Meeting is sought to comply with these provisions.

The particulars of the contracts/transactions, pursuant to paragraph 3 of Explanation (1) to Rule 15 of the Companies (Meetings of Board and its Powers) Rules, 2014 are as under:

- 1 Name of the related party: **Shri. Mudit Jatia.**
- 2 Name of the director or Key managerial Personnel who is related: **Shri. Vijay Kumar Jatia and Smt. Gauri Jatia**
- 3 Nature of relationship : **Son**
- 4 Monetary value : **Upto ₹ 1.25 crores** per annum
- 5 Nature, material terms and particulars of arrangement:

Contribution to Provident Fund, Superannuation Fund or Annuity Fund to the extent these either singly or put together are not taxable under the Income Tax Act, 1961.

Gratuity payable at the rate not exceeding half a month's salary for each complete year of service.

Earned privilege leave at the rate of one month's leave for every eleven months of service. Shri. Mudit Jatia can accumulate the maximum 90 days leave as per rules of the Company.

Provision of Car with driver for business of the Company and Telephone at the residence of Shri. Mudit Jatia shall not be treated as perquisites

Any other information relevant or important for the members to make a decision on the proposed transaction:

Shri. Mudit Jatia is actively involved in the day to day activities of Modern India Limited and he also handles the Joint development project at Boisar along with M/s Ashish Estate and Property Developers Limited and is very actively involved in the Development Project of properties situated at Mahalaxmi, Mumbai.

The memorandum of appointment to Shri. Mudit Jatia is available for inspection on all working days during business hours at the registered office of the company except on Saturday and Sunday.

Shri. Vijay Kumar Jatia and Smt. Gauri Jatia shall be regarded as interested in the said resolutions being relatives of Shri. Mudit Jatia.

None of the other directors and Key Managerial Personnel or their relatives are in any way concerned or interested in the resolution.

The Board recommends the said Ordinary Resolution for your approval.

Item no:7

As per the provisions of Section 20 of the Companies Act, 2013, a document may be served on any member by sending it to him by post or by registered post or by speed post or by courier or by delivery at his office or residence address or by such electronic or other mode as may be prescribed. Further, proviso to sub-section (2) of Section 20 states that a member may request for delivery of any document through a particular mode, for which he shall pay such fees in advance as may be determined by the company in its Annual General Meeting. Accordingly, the Board of Directors in their meeting held on 19th May, 2017 has proposed that a sum of ₹ 50 plus the estimated actual expenses of delivery of the document through a particular mode, if any request has been made by any member for delivery of such document to him through such mode of service, be taken to cover the cost of such delivery.

None of the Directors or Key Managerial Personnel including their relatives is concerned or interested, financial or otherwise, in the said resolution.

The Board recommends the Ordinary Resolution for your approval.

By Order of the Board of Directors

Sd/-

(Parind Badshah)
Company Secretary
FCS:5414

Dated: 19.05.2017

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

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

ANNEXURE TO THE DETAILS OF THE DIRECTOR/PRESIDENT TO BE REAPPOINTED IN 83RD 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> | <i>Relationship with other Directors , Mangerand other key Managerial personnel</i> |
|----------------------------|----------------------|----------------------------|-----------------------|--|---|---|---|--|---|
| Shri. Sidhant Jatia | 07.06.1983 | 01.10.2014 | BBA | President | N.A | N.A | N.A | 15000 | Son of the CMD - Shri. Vijay Kumar Jatia and Director on Board Smt. Gauri Jatia |
| Shri. Mudit Jatia | 07.09.1986 | 01.10.2014 | BA (Economics) | President | N.A | N.A | N.A | 15000 | Son of the CMD - Shri. Vijaykumar Jatia and Director on Board Smt. Gauri Jatia |

REMOTE E-VOTING INSTRUCTIONS

The instructions for shareholders voting electronically are as under:

- i. In compliance with the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended by the Companies (Management and Administration) Amendment Rules, 2015 and Regulation 44 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company is pleased to provide to its Members facility to exercise their right to vote on resolutions proposed to be considered at the Annual General Meeting (“AGM”) by electronic means and the business may be transacted through e-voting services arranged by Central Depository Services(India) Limited. The Members may cast their votes using an electronic voting system from a place other than the venue of the AGM (“remote e-voting”).
- ii. The facility for voting through electronic voting system or polling paper shall be made available at the AGM and the Members attending the AGM who have not cast their vote by remote e-voting shall be able to exercise their right at the AGM.
- iii. The Members who have cast their vote by remote e-voting prior to the AGM may also attend the AGM but shall not be entitled to cast their vote again.
- iv. The instructions for shareholders voting electronically are as under: (i) The voting period begins on 4th August, 2017 at 9:30 hrs and ends on 7th August, 2017 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 01st August, 2017 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- v. The shareholders should log on to the e-voting website www.evotingindia.com.
- vi. Click on Shareholders.
- vii. 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.
- viii. Next enter the Image Verification as displayed and Click on Login
- ix. 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.
- x. 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. |
|-----|--|

| | |
|--|---|
| | <ul style="list-style-type: none"> 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 (dd/mm/yyyy) 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 (vii). |

- xi. After entering these details appropriately, click on "SUBMIT" tab.
- xii. 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.
- xiii. For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- xiv. Click on the EVSN for MODERN INDIA LIMITED.
- xv. 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.
- xvi. Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- xvii. 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.
- xviii. Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- xix. You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.
- xx. 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.
- xxi. **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. Please follow the instructions as prompted by the mobile app while voting on your mobile.**

xxii. 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.

xxiii. 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.

xxiv. The Board of Directors has appointed Shri. P.N.Parikh (FCS 327) or failing him Shri.Mitesh Dhabliwala(FCS 8331) of M/s Parikh & Associates, Practicing Company Secretaries, Mumbai as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.

xxv. The Scrutinizer shall after the conclusion of voting at the AGM, first count the votes at the meeting, thereafter unblock the votes cast through remote e-voting in the presence of atleast two witnesses, not in employment of the Company, and make, not later than three days of the conclusion of the AGM, a consolidated scrutinizer’s report of the total votes cast in favour or against, if any, to the Chairman in writing, who shall countersign the same and declare the result of the voting forthwith.

xxvi. The Results declared alongwith the Scrutinizer’s Report shall be placed on the Company’s website www.modernindia.co.in and on the website of CDSL and communicated to the BSE Limited where the shares of the Company are listed. The results shall also be displayed on the Notice Board at the Registered Office of the Company.

xxvii. Please note the important dates

| EVENT | DATE | TIME |
|-------------------------|-------------------------------|----------|
| CUT OFF DATE FOR VOTING | 01 st August, 2017 | 05.00 pm |
| EVOTING TO START | 04 th August, 2017 | 09.30 am |
| EVOTING TO END | 07 th August, 2017 | 05.00 pm |
| AGM DATE | 08 th August, 2017 | 04:00 pm |

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.

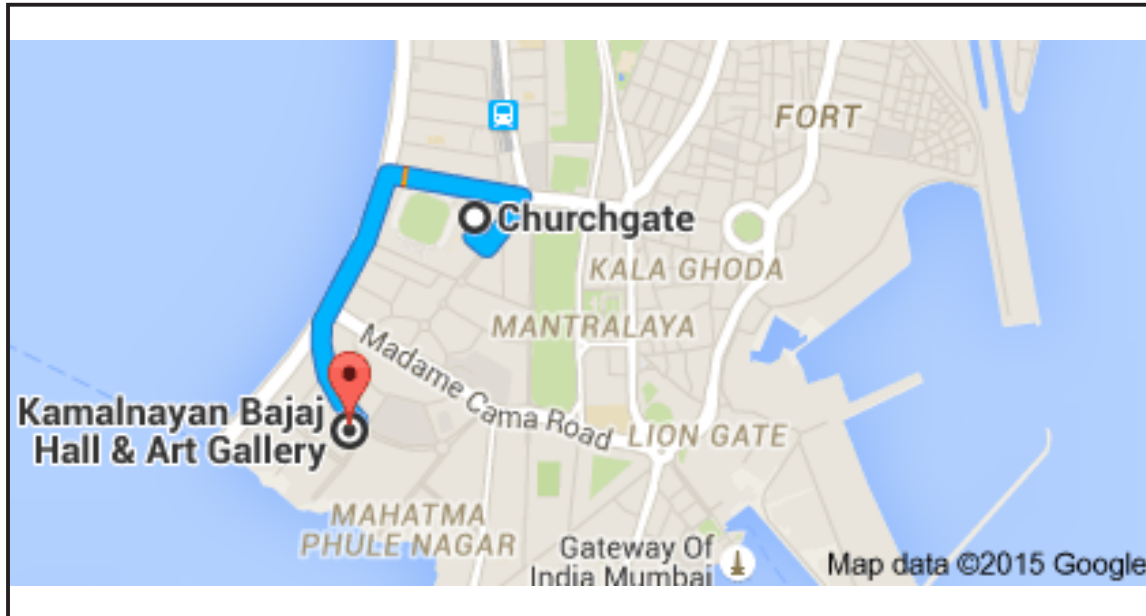
| | |
|---|-------|
| Name | |
| Name of Joint Holder, if any | 1. |
| | 2. |
| Address | |
| Folio No. | |
| Contact No. | Res.: |
| | Mob: |
| Email Id | |
| CIN Registration No. (in case of companies) | |
| Unique Identification No. | |
| Father's/Mother's/Spouse Name | 1. |
| | 2. |
| Occupation | |
| 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

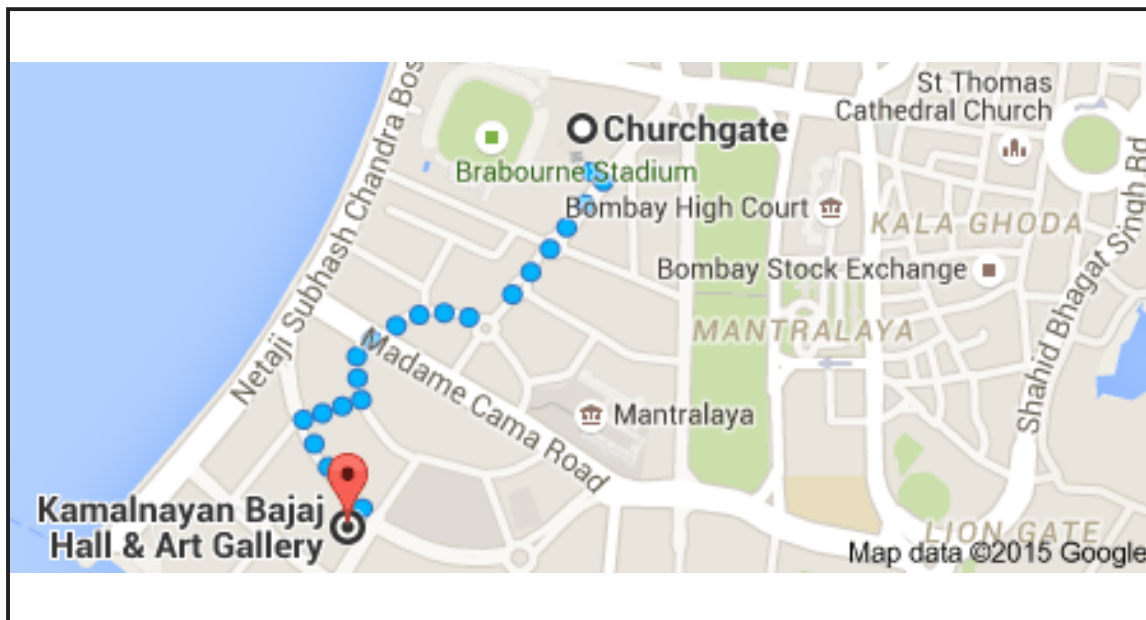
Signature
 Name of the shareholder

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

ROUTE MAP
BY BUS/TAXI FROM CHURCHGATE TO VENUE



BY WALKING FROM CHURCHGATE TO VENUE



BOARDS' REPORT

Dear Members,

Your Directors are pleased to present the Eighty Third Annual Report along with Audited Statement of Accounts for the Financial Year ended 31st March, 2017.

FINANCIAL RESULTS

| | (₹ in lakhs) | |
|---|------------------------|------------------------|
| | Financial year 2016-17 | Financial year 2015-16 |
| Gross Profit/(Loss) before Depreciation | (386.70) | 412.75 |
| Less: Depreciation / Amortization | 318.47 | 396.30 |
| Profit /(Loss) before tax | (705.17) | 16.45 |
| Less : | | |
| Exceptional Expenditure | - | - |
| Prior Period Expenses | - | - |
| Provision for Current Tax | - | - |
| Deferred Tax | (269.71) | 2.71 |
| Tax adjusted of prior year(Net) | (0.21) | - |
| Profit/(Loss) after Tax | (435.25) | 13.74 |
| Add: Balance brought forward | 3281.23 | 3403.05 |
| Balance available for appropriation | 2845.98 | 3416.79 |
| LESS : APPROPRIATION* | | |
| Proposed Dividend | - | 112.63 |
| Tax on distributed profit | - | 22.92 |
| Transferred to General Reserve | - | 135.55 |
| Balance carried to Balance Sheet | 2845.98 | 3281.23 |

* Please refer to note on Dividend & Reserve

GENERAL INFORMATION ABOUT THE COMPANY

The Company has various business verticals inter alia Real Estate and Infrastructure Development, Power Generation, Background Verification, Commodities Trading, International procurement solutions amongst others.

PERFORMANCE

India's business environment has been tremendously shaken up by the recent demonetization of the higher currency notes by the current government. The real estate sector definitely got affected by the demonetization exercise, Poor sales has led to almost flat prices, heavy liquidity challenges and high unsold inventory have all colluded to keep real estate sector away from fulfilling its potential and provide necessary residential stability to average citizens. Even the luxury and high-end segments of residential real estate have seen a major impact from this exercise. The demonetization move has resulted in luxury property prices dipping by as much as 25-30% as sellers struggle to offload properties to generate liquidity.

Over the long term, the Indian real estate sector will emerge stronger, healthier and capable of long periods of sustained growth. As of now, there is no reason for developers and investors who have conducted their dealings transparently and legally to panic. It will essentially be business as usual for them.

In the past one year, there have been a few positive and potentially long-lasting changes in the Indian real estate sector. The passing of RERA (Real Estate Regulation and Development Act, 2016) and its implementation in Maharashtra from 1st May 2017, the Benami Transactions Act and the demonetization move will ensure that going forward, the sector will become more transparent.

India seems to have braved the effects of demonetisation with the Finance Ministry assuring a growth of 7% during the year, which will grow over a period of time. India continues to remain the fastest growing developing economy while retaining its GDP growth projection of 7.2% for 2017-18. In our Company's context, the performance of the Company was average due to various reasons. As informed earlier, the Company didn't renew any of the lease and license agreements, as the Company contemplates development of its properties, which has led to loss of rental income furthermore and with the NSEL crises, trading in commodities was stopped. The total turnover during the year under review is ₹.5694.29 lakhs against ₹ 8053.36 lakhs in the year 2015-16. Due to the above factors the Company has suffered a loss of ₹. 435.25 lakhs after tax compared to a meagre profit of ₹. 13.73 Lakhs in the corresponding previous year. As informed earlier, the Company had planned to setup a 5MW Solar Power Plant at Satara of which 3 MW Solar Power Plant has been commissioned in April 2015 and has started supplying power, the remaining 2 MW plant will be commissioned and operational soon. The delay is due to the shake up and ever fluid scenario in the renewable energy sector.

the Company has suffered losses due to the NSEL crisis which had 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 63 Moons Technologies Limited (erstwhile Financial Technologies (India) Limited (FTIL)), National Spot Exchange Limited (NSE) 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 63 Moons Technologies Limited, 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 Government has also ordered the merger of 63 Moons Technologies Limited and NSEL which has been challenged in Hon'ble High Court at Mumbai, the hearing for which is in progress.

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 Lakhs is outstanding as on 31st March 2017.

EVENTS SUBSEQUENT TO THE DATE OF FINANCIAL STATEMENTS

The Company is in process of executing an agreement for sale with K Raheja Corp Pvt Ltd of Plot D-1, bearing C.S. No. 7/1895 of Byculla Division situate at Keshavrao Khadye Marg (Clerk Road) Mahalaxmi, Mumbai -400011 .

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 lacklustre performance, your directors are recommending dividend of ₹ 0.30 per share, i.e 15% per equity share of ₹ 2/-each. The dividend for the year amounts to ₹ 135.56 including the dividend distribution tax. This proposed dividend is subject to the approval of share holders in the ensuing annual general meeting. Pursuant to amendment in Accounting standard (AS)-4, Contingencies and events occurring after the Balance sheet Date, Declaration of dividends to shareholders after the balance sheet date is not required to be recognized as a liability as at the Balance sheet date.

The Company has free reserves of ₹ 3163.58 lakhs as on 31st March, 2017.

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

Shri Pradip Kumar Bubna (00135014), Director of the Company, retires by rotation and being eligible, offers himself for re-appointment.

The Management recommends his re-appointment.

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 23.03.2017

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, 2017 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. 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, the Key Managerial Personnel (KMPs) based on the evaluation of their performance and senior management personnel including executives holding office of profit. The Committee also evaluates the performance of the Board of Directors.

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 and others.

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

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(though not mandated) 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, 2017 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 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 performance of the Company.

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, Machinery, 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 2016-17 was affected by the downturn in the Chinese market and global meltdown however the Company managed to increase its sales, MIAL has registered a turnover of **US \$ 24.27 million** for the year 2016-17 as against US\$ 10.82 million for the year 2015-16 and it has recorded a profit of **US \$ 1,92,392** (previous year US \$87,402) a growth of 120%. Efforts are being taken to further increase the turnover in the coming year.

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 2016-17, Company has earned profit before tax of ₹. **21.64**, Lakhs as compared to a profit of ₹ 47.78 lakhs in the year 2015-16 a reduction of 54.71% due to the impact of demonetization and impending RERA implication.

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 taken 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 ₹ **2144.11 lakhs** as against ₹ 1853.41 lakhs in the corresponding previous year, a growth of 15.68%. This business has immense potential to flourish in future. The Company has entered into agreements with, NSDL E-KYC, NSDL - PAN Verification, and the Company is in process of executing agreements with UIDAI and NSDL Database Management Ltd for providing better and more efficient verification services. The Company has also executed an agreement with Transunion CIBIL to provide credit scores of candidates whose background verification is being carried out on behalf of clients.

The Company has earned a profit ₹ 76,62,274 as compared to ₹ 1,13,74,894 in the corresponding previous year a reduction of 32.63%.

ASSOCIATE COMPANIES

The Company does not have any associate companies nor does it have any existing joint venture as on 31st March, 2017.

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 are 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 | N A | N A | N A | N A |
| 2 | Reporting currency and Exchange rate as on the last date of the relevant financial year in the case of foreign subsidiaries | N A | N A | 1USD=64.84 INR | N A |
| 3 | Share capital | 48000000 | 150000000 | USD 1280000 | 5000000 |
| 4 | Reserves & surplus | (2567760) | (53646190) | USD 931840 | 87875872 |
| 5 | Total assets | 45443740 | 96376810 | USD 4624312 | 116282986 |
| 6 | Total Liabilities | 45443740 | 96376810 | USD 4624312 | 116282986 |
| 7 | Investments | - | - | - | 15000000 |
| 8 | Turnover | 107631 | 3524331 | USD 24265702 | 214410570 |
| 9 | Profit before taxation | 81644 | 2164251 | USD 192392 | 9883253 |
| 10 | Profit after taxation | 81644 | 2154251 | USD 192392 | 7662742 |
| 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

M/s. K S Aiyar Chartered Accountants (FRN 100186W) the existing statutory auditors of the Company were appointed as auditor by the Members to hold office from conclusion of 82nd AGM until conclusion of 83rd AGM . Since the tenure of the existing Auditors comes to an end as per the provision of the Companies Act 2013, new Auditors are required to be appointed who shall hold office from conclusion of this AGM until conclusion of 88th AGM subject to ratification at every AGM.

At the meeting held on 19.05.2017 Board of Directors have recommended the appointment of M/s. Khandelwal Jain & Co, Chartered Accountants, FRN (105049W) as the statutory auditor of the Company who shall hold office in place of M/s K S Aiyar, Chartered Accountants on remuneration to be mutually decided by the Board of Directors and the newly appointed statutory auditor, subject to the approval of the Members.

M/s. Khandelwal Jain & Co, Chartered Accountant have experience of over 40 years and are well established and known in the industry. They have conducted audits of various listed and non-listed entities, Banks ,Financial institutions, Insurance Companies and various types of Government, Public and other Private concerns.

The Board of Directors recommends their appointment.

SECRETARIAL AUDIT REPORT

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

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 REGULATORS/ 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) : ₹ 7,13,51,181

UNSECURED LOANS (Taken): ₹ 1,00,00,000

SECURED LOANS (given): ₹ 1,24,08,778

UNSECURED LOANS (given): ₹ 1,03,69,182

CURRENT INVESTMENTS: NIL

NON CURRENT INVESTMENTS: ₹. 65,47,99,112

GUARANTEES: Corporate Guarantee for US \$ 5.6 million given to Indian Overseas Bank for credit facility availed by MIAL.

SECURITIES EXTENDED: Working Capital limits from banks are secured by hypothecation of investments in units of mutual fund.

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.

Based on the average Profit for last 3 years, no amount shall be required to be spent for corporate social responsibility for the year 2017-18.

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 based on the same, the evaluation for the year 2016-17 was conducted. The performance of the Directors and their role and the performance 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 due to various market conditions, demonetisation, etc 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 due to inadequacy of profits / loss, the Company had made an application to the Central Government to approve the remuneration payable to him. The Central Government had vide its approval dated 02.06.2016 approved the payment of ₹ 84 lakhs p.a as remuneration. On 12th September, 2016 the Ministry of Corporate Affairs issued a Notification which replaced the Schedule V of the Companies Act, 2013 with the Amended Schedule V with revised Effective Capital tranches and limit of remuneration payable therein. Moreover the limit of Remuneration based on the Effective Capital could also be doubled with Shareholders approval and without Central Government approval. In the view of the said amendment, the Board of Directors approved the revision of the remuneration paid to Shri. Vijay Kumar Jatia, Chairman and Managing Director from the existing remuneration of ₹ 84 Lakhs to ₹ 1.68 Crore w.e.f 1st October, 2016. Therefore during the year Shri Vijay Kumar Jatia drew a total remuneration of ₹ 1.24 crores.

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 2017-2018 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 are effective from 01.07.2015 as per government notification and your 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 2016-17.

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

The Company has neither purchased not 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: 19.05.2017

For and on behalf of the Board of Directors

Sd/-

Vijay Kumar Jatia
Chairman & Managing Director

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

ANNEXURE 'A' TO THE BOARDS' 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, 2017

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 IJ 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 | : | ₹ 61,952 /- |
| (ii) Outgoing | : | ₹ 12,79,355/- |

MANAGEMENT DISCUSSION AND ANALYSIS

INDUSTRY STRUCTURE, DEVELOPMENTS AND OUTLOOK

This year has been marked by several historic economic policy developments. On the domestic side, a constitutional amendment paved the way for the long-awaited and transformational goods and services tax (GST) which will be effective from 1st July 2017 and while demonetisation of the large currency notes signalled a regime shift to punitively raise the costs of illicit activities. On the international front, Brexit and the US elections herald a tectonic shift, forebodingly laden with darker possibilities for the global, and even the Indian economy.

India seems to have braved the effects of demonetisation with the Finance Ministry assuring a growth of 7% growth during the year, which will grow over a period of time. India continues to remain the fastest growing developing economy while retaining its GDP growth projection of 7.2% for 2017-18.

OPPORTUNITIES AND THREATS

THE REAL ESTATE BUSINESS

The Real Estate Regulation and Development Act, 2016 along with its rules and regulations has been notified and came in to force on May 1, 2017 (Central Act 16 of 2016) which has been enacted to primarily regulate the real estate industry. It is aimed at addressing the concerns of home buyers by establishing an adjudicating mechanism for speedy dispute redressal. The enforcement of this new legislation is definitely a step in the right direction and is expected to remove the chronic issue of late delivery of projects, eliminating not so senior players from the business. This will also attract investments in the sector and restore the confidence of the buyers and others stakeholders in the sector.

Real Estate Regulatory Authorities (RERAs) will help in regulating transactions related to both residential and commercial projects and ensure their timely completion and handover.

The implementation of the Act is a big challenge in the initial years, but will make the sector a more organised one. Also, builders can hope to get bank finances at a slightly lower rate. The strict provisions of the Act will drastically reduce the number of players in the real estate market in a phased manner as well.

TRADING

Overall economic scenario worldwide is slowly improving but India is pushing its limits and trading activity has been brisk and is expected to remain same in FY 2017-18. Fabrics, yarn, luggage, furniture, building material and other merchandise are the drivers for improved operations. During the year under review we have achieved sales of US \$24.26 million in our subsidiary Modern International (Asia) Limited which is based in Hongkong, it is pertinent to note that China is undergoing a slow down in its economic activities.

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 Lakhs)

| Sr. No. | Particular | Real Estate | Trading | Renewable Energy | Unallocated/Corporate | Total |
|---------|--------------------------|-------------|---------|------------------|-----------------------|----------|
| i | Segment Revenue | 478.10 | 4876.15 | 316.68 | 23.37 | 5694.30 |
| ii | Segment Result | 288.28 | (17.65) | (104.90) | (778.00) | (612.27) |
| iii | Segment Capital Employed | (6298.00) | 1599.52 | 1703.71 | 7149.55 | 4154.78 |

FINANCIAL PERFORMANCE CONSOLIDATED

The Company, in its standalone position, has suffered a loss of ₹ 435.25 Lakhs whereas on consolidated basis it is ₹ 234.59 lakhs. The income from operations is ₹ 24118.16 lakhs (previous year ₹ 16989.91 lakhs). It may be noted there has been increase in turnover despite the downturn in the Chinese economy and in the world economy at large. Other Income is ₹ 305.64 lakhs (Previous year ₹ 1597.31 lakhs). 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, an audit of the Internal Financial Control was also carried out by the Statutory Auditor of the Company for the year 2016-17.

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, 2017
[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 |
| 2 | Real Estate | 7010 | 3 |

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) |

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

(i) Category-wise share holding

STATEMENT SHOWING - SHAREHOLDING PATTERN 31.03.2017

| MODERN INDIA LTD | | | | | | | | | |
|-------------------------------------|--|----------|-----------------|-------------------|--|----------|-----------------|-------------------|-----------------------------------|
| Category of Shareholder | No of shares held at the beginning of the year (as on 01.04.2016) | | | | No of shares held at the end of the year (as on 31.03.2017) | | | | % 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 | |
| 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 |
| Foreign Institutional Investors | 4461519 | 0 | 4461519 | 11.88 | 4461519 | 0 | 4461519 | 11.88 | 0.00 |

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

(i) Category-wise share holding

STATEMENT SHOWING - SHAREHOLDING PATTERN 31.03.2017

| MODERN INDIA LTD | | | | | | | | | |
|----------------------------------|--|----------------|-----------------|-------------------|--|----------------|-----------------|-------------------|-----------------------------------|
| Category of Shareholder | No of shares held at the beginning of the year (as on 01.04.2016) | | | | No of shares held at the end of the year (as on 31.03.2017) | | | | % 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 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 | | | | | | | | | |
| Bodies Corporate | | | | | | | | | |
| i) Indian | 979486 | 1325 | 980811 | 2.61 | 993659 | 1325 | 994984 | 2.65 | 0.00 |
| ii) Overseas | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0.00 |
| Individuals | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0.00 |
| Individual Shareholders | | | | | | | | | |
| holding nominal Share | | | | | | | | | |
| Capital upto ₹ 1 Lakh | 708182 | 907545 | 1615727 | 4.30 | 719724 | 890920 | 1610644 | 4.29 | -0.01 |
| Individual Shareholders | | | | | | | | | |
| holding nominal Share | | | | | | | | | |
| Capital in excess of ₹ 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 | 25 | 0 | 25 | 0.00 | 300 | 0 | 300 | 0.00 | 0.00 |
| Overseas Corporate Bodies | 0 | 250000 | 250000 | 0.67 | 0 | 250000 | 250000 | 0.67 | 0.00 |
| Non Resident Indians | 19120 | 34375 | 53495 | 0.14 | 3528 | 33125 | 36653 | 0.10 | -0.04 |
| HUF | 43665 | 0 | 43665 | 0.12 | 49892 | 0 | 49892 | 0.13 | 0.02 |
| Foreign National | 0 | 0 | 0 | 0.00 | 1250 | 0 | 1250 | 0.00 | 0.00 |
| Directors & their relatives | 1230 | 0 | 1230 | 0.00 | 1230 | 0 | 1230 | 0.00 | 0.00 |
| Sub-total (B) (2) | 1751708 | 1193245 | 2944953 | 7.84 | 1769583 | 1175370 | 2944953 | 7.84 | 0.00 |
| Total Public Shareholding | | | | | | | | | |
| (B) = (B)(1)+(B)(2) | 8140468 | 1245220 | 9385688 | 25.00 | 8158343 | 1227345 | 9385688 | 25.00 | 0.00 |
| TOTAL (A)+(B) | 36297530 | 1245220 | 37542750 | 100.00 | 36315405 | 1227345 | 37542750 | 100.00 | 0.00 |
| Shares held by Custodians | | | | | | | | | |
| for GDRs & ADRs | | | | | | | | | |
| GRAND TOTAL (A)+(B)+(C) | 36297530 | 1245220 | 37542750 | 100.00 | 36315405 | 1227345 | 37542750 | 100.00 | 0.00 |

ii) Shareholding of Promoters

| Sr. No. | Name of the shareholders | Shareholding at the beginning of the year 01 st April 2016 | | Shareholding at the end of the year - 31 st March 2017 | |
|---------|--|---|----------------------------------|---|----------------------------------|
| | | 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 (01-04-16 TO 31.03.17) | |
| | | NO. OF SHARES AT THE BEGINING (01.04.2016) END OF THE YEAR (31.03.2017) | % OF TOTAL SHARES OF THE COMPANY | | | | NO OF SHARES | % OF TOTAL SHARES OF THE COMPANY |
| 1 | ERISKA INVESTMENT FUND LTD IN30152430041080 | 1765000 | 4.70 | 01.04.2016 31.03.2017 | 0 | | 1765000 1765000 | 4.70 4.70 |
| 2 | LTS INVESTMENT FUND LTD IN30152430030153 | 1716519 | 4.57 | 01.04.2016 31.03.2017 | 0 | | 1716519 1716519 | 4.57 4.57 |
| 3 | APMS INVESTMENT FUND LTD IN30016710017026 | 980000 | 2.61 | 01.04.2016 31.03.2017 | 0 | | 980000 980000 | 2.61 2.61 |
| 4 | UNITED INDIA INSURANCE COMPANY LIMITED IN30081210000543 | 824041 | 2.19 | 01.04.2016 31.03.2017 | 0 | | 824041 824041 | 2.19 2.19 |
| 5 | STATE BANK OF INDIA SAMB BANGALORE 1204720009985306 | 753200 | 2.01 | 01.04.2016 31.03.2017 | 0 | | 753200 753200 | 2.01 2.01 |
| 6 | MILLENNIUM COMMERCIAL PRIVATE LTD IN30226912150166 | 478966 | 1.28 | 01.04.2016 08.04.2016 31.03.2017 | 25 -25 | TRANSFER TRANSFER | 478966 478991 478966 | 1.28 1.28 1.28 |
| 7 | MILLENNIUM COMMERCIAL PVT LTD IN30216410300483 | 73176 | 0.19 | 01.04.2016 31.03.2017 | 0 | | 73176 73176 | 0.19 0.19 |
| 8 | GENERAL INSURANCE CORPORATION OF INDIA IN30081210000029 | 300000 | 0.80 | 01.04.2016 31.03.2017 | 0 | | 300000 300000 | 0.80 0.80 |
| 9 | THE PACIFIC VEGETABLE OIL CORPN. 5662 | 250000 | 0.67 | 01.04.2016 31.03.2017 | 0 | | 250000 250000 | 0.67 0.67 |
| 10 | ECLAT DEVELOPERS PRIVATE LTD IN30226912150519 | 235213 | 0.63 | 01.04.2016 31.03.2017 | 0 | | 235213 235213 | 0.63 0.63 |

(v) Shareholding of Directors and Key Managerial Personnel:

| SI 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 Shareholding during the yearspecifying the reasons for increase / decrease (e.g.allotment / transfer / bonus/sweatequity etc): | - | - | - | - |
| | At the End of 31.03.2017 the year | 90005 | 0.24 | 90005 | 0.24 |

| SI 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 31.03.2017 the year | 17850 | 0.05 | 17850 | 0.05 |

| SI 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 Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc): | - | - | - | - |
| | At the End of 31.03.2017 the year | 1230 | 0.003 | 1230 | 0.003 |

| SI 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 Nawal Kishore Deora | | | | |
| | At the beginning of the year | 25 | 0.00 | 25 | 0.00 |
| | Date wise Increase/Decrease in Shareholding during the year specifying the reasons for increase / decrease (e.g.allotment / transfer / bonus/sweatequity etc): | - | - | - | - |
| | At the End of 31.03.2017 the year | 25 | 0.00 | 25 | 0.00 |

V. INDEBTEDNESS

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

| | Secured Loans excluding deposits | Unsecured Loans | Deposits (Security Deposit) | Total Indebtedness |
|--|----------------------------------|-----------------|-----------------------------|--------------------|
| Indebtedness at the beginning 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 |
| Change in Indebtedness during the financial year- | | | | |
| Addition- | 713.51 | 100.00 | 900.00 | 1713.51 |
| Reduction | (1138.33) | - | (0.30) | (1138.63) |
| Net Change | (424.82) | 100.00 | 899.70 | 574.88 |
| Indebtedness at the end of the financial year | | | | |
| i) Principal Amount | 713.51 | 100.00 | 8504.97 | 9318.48 |
| ii) Interest due but not paid | - | - | - | - |
| iii) Interest accrued but not due | - | - | - | - |
| Total (i+ii+iii) | 713.51 | 100.00 | 8504.97 | 9318.48 |

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 | ₹ 7350000 ₹ 4175989 - |
| 2. | Stock Option | - |
| 3. | Sweat Equity | - |
| 4. | Commission - as % of profit - others, specify | - - |
| 5. | Others, please specify: Contribution to Provident Fund | ₹ 882000 |
| | Total (A) | ₹ 12407989 |
| | Ceiling as per the Act | ₹ 16800000 |

*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. He is being paid remuneration of ₹ 84 lakhs as per the approval dated 02.06.2016 given by the Central Government. On 12th September, 2016 the Ministry of Corporate Affairs issued a Notification which replaced the Schedule V of the Companies Act, 2013 with the Amended Schedule V with revised Effective Capital tranches and limit of remuneration payable therein. Moreover the limit of remuneration based on the Effective Capital could also be doubled with Shareholders approval and without Central Government Approval. In the view of the said amendment, the Board of Directors approved the revision of the remuneration paid to Shri. VijayKumar Jatia, Chairman and Managing Director from the existing remuneration of ₹ 84 Lakhs to ₹ 1.68 Crore w.e.f 1st October, 2016.

B. Remuneration to other directors:

| Sl. no. | Particulars of Remuneration | Name of Directors, Independent Directors | | | | Non Executive Directors | | Total Amt |
|---------|---|---|---------------------|-----------------|----------------------------|----------------------------|--------------------|-----------|
| | | Shri Anand Didwania | Shri Rajas Doshi | Shri S D Israni | Shri Kaiwan Kalyaniwala | Shri Pradip Kumar Bubna | Smt Gauri Jatia | |
| 1 | Fee for attending board / committee meetings | 520000 | 560000 | 560000 | 320000 | 480000 | 240000 | 2680000 |
| | Commission | - | - | - | - | - | - | - |
| | Others, please specify | - | - | - | - | - | - | - |
| | Total | 520000 | 560000 | 560000 | 320000 | 480000 | 240000 | 2680000 |
| | 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 | ₹ 26,32,060 | ₹ 30,85,595 | ₹ 57,17,655 |
| (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 | ₹ 26,32,060 | ₹ 30,85,595 | ₹ 57,17,655 |

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, 2017

(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 authorized 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, 2017, 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, 2017 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, 2015;
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009; (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.

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. No changes in the composition of the Board of Directors that took place during the period under review.

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 event 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.

For Parikh & Associates

Company Secretaries

Sd/-

Sarvari Shah

Partner

FCS No: 27572 CP No: 11717

Place: Mumbai

Date : 19th May, 2017

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.

For Parikh & Associates
Company Secretaries

Place: Mumbai
Date : 19th May, 2017

Sd/-
Sarvari Shah
Partner
FCS 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/Loss of the company for last three financial years : ₹ (33684612)/-

- Prescribed CSR Expenditure (two per cent. of the amount as in item 3 above) : **NIL**
- Details of CSR spent during the financial year 2016-17 : ₹ 6,04,500/-
- Total amount to be spent for the financial year 2016-17 : ₹ 26,749/-
- Amount unspent, if any: **NIL**
- 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: | Cumulative 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 | N.A. | ₹ 2,75,000/- | ₹ 2,75,000/- | Repairs /maintenance |

| | | | | | | | |
|-------|--|---|-------------|------|--------------|-----------|--|
| 2 | Asiatic Society of Mumbai | Research | Mumbai work | N.A. | ₹ 21000/- | ₹ 21000/- | Dr. Aroon Tikekar Memorial Fund to be utilized for Advanced Research |
| 3 | Inner Wheel Club of Bombay | Vocational Fund for underprivileged women | Mumbai | N.A. | ₹ 21000 | ₹ 21000 | Vocational fund for underprivileged women |
| 4 | D.Y. Patil Dental College and Hospital | Educational Aid | Navi Mumbai | N.A. | ₹ 287500 | ₹ 287500 | Educational aid |
| Total | | | | | ₹ 6,04,500/- | | |

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 Company has spent an amount of ₹ 6,04,500 during the year 2016-17. An amount of ₹ 5,21,450 and ₹ 47,938 was unspent from the previous years Viz 2014-2015 and 2015-16 which was also utilized during the year 2016-17.

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

All the material Related Party Transaction were on an arm's length basis and in due course of business.

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 as per terms of appointment | 18.10.2014 and passed through special Resolution at EOGM held on 9.12.2014 | ₹ 75,12,508* |
| 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 as per terms of appointment | 18.10.2014 and passed through special Resolution at EOGM held on 9.12.2014 | ₹ 75,25,320 * |
| 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 31.03.2016 | Agreement providing Corporate Guarantee to Indian Overseas Bank | 23.03.2017 | US \$ 5.60 Million |
| 5 | #Shri. Vijay kumar Jatia husband of Smt. Gauri Jatia | Remuneration paid to CMD of the Company | During the year under review | Remuneration paid as per terms of appointment | Passed through Special Resolution at the AGM dt:08.08.2015 | ₹ 1,24,07,989/-* |

| | | | | | | |
|---|--|---|--------------------------------|--|------------|----------------|
| 6 | 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/-* |
| 7 | Shri Nawal Kishore Deora Sr Vice President and Chief Financial Officer | Remuneration paid to KMP of the Company | During the period under review | The remuneration paid to KMP of the Company | 26.05.2016 | ₹ 30,85,595/-* |
| 8 | Shri Parind Badshah Vice President and Company Secretary | Remuneration paid to KMP of the Company | During the period under review | The remuneration paid to KMP of the Company | 26.05.2016 | ₹ 26,32,060/-* |
| 9 | Maneksha Sethna Law firm | Professional Fees paid | During the period under review | Payment of professional fees for services rendered | 26.05.2016 | ₹ 18,35,684/- |

***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 of ₹ 84 lakhs per annum as sanctioned by Central Government vide its approval dated 02.06.2016. On 12th September, 2016 the Ministry of Corporate Affairs issued a Notification which replaced the Schedule V of the Companies Act, 2013 with the Amended Schedule V with revised Effective Capital tranches and limit of remuneration payable therein which allows Company to double the amount of remuneration by passing special resolution however in our case Members had already approved a remuneration of ₹ 1.80 Crores p.a at the Annual General Meeting held on 08.08.2015. Therefore in view of the said amendment, the Board of Directors considered revision of the remuneration paid to Shri Vijay Kumar Jatia, Chairman and Managing Director from the existing remuneration of ₹ 84 Lakhs to ₹ 1.68 crore p.a with effect from 1st October, 2016.

Sd/-

Vijay Kumar Jatia

Chairman and Managing Director

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 three financial years. The median remuneration is ₹ 6.83 lakhs.

- 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. The remuneration of the Chief Financial Officer and Company Secretary was increased as per the percentage increase in the remuneration of all employees.

- c) The percentage increase in the median remuneration of employees in the financial year was 8%

- d) The number of permanent employees on the rolls of the Company were 28 in number.

- e) 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 is no increase or decrease in average percentile in the year 2015-16

- f) 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; | ₹ 124,07,989 |
| (iii) nature of employment, whether contractual or otherwise; | 3 years contract |
| (iv) qualifications and experience of the employee; | B Com – 42 years experience |
| (v) date of commencement of employment; | 30.12.1994 |
| (vi) the age of such employee; | 59 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 one crore and two 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 eight lakhs fifty thousand rupees per month; NA

The employee, if employed throughout the financial year or part thereof, 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. NA

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 2017.

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.

STATEMENT SHOWING DETAILS OF EMPLOYEES OF THE COMPANY DRAWING REMUNERATION MORE THAN ₹ 1.02 Crore.

| 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 |
|-------------------------------------|----------------------------------|--|--------------------|----------------|------------|------------------------------------|-------|---------------------------------------|-------------------------|
| | | | (₹) | | (YEARS) | | (YRS) | | |
| EMPLOYED THROUGHOUT THE YEAR | | | | | | | | | |
| VIJAY KUMAR JATIA | CHAIRMAN AND MANAGING DIRECTOR | CONTRACT AS PER RESOLUTION PASSED AT AGM | 1.24 Crore | BCOM | 42 | 30.12.1994 | 59 | PUDUMJEE PULP & PAPER INDUSTRIES LTD. | 0.24% |

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 of ₹ 84 lakhs per annum as sanctioned by Central Government vide its approval dated 02.06.2016. On 12th September, 2016 the Ministry of Corporate Affairs issued a Notification which replaced the Schedule V of the Companies Act, 2013 with the Amended Schedule V with revised Effective Capital tranches and limit of remuneration payable therein which allows Company to double the amount of remuneration by passing special resolution however in our case Members had already approved a remuneration of ₹ 1.80 Crores p.a at the Annual General Meeting held on 08.08.2015. Therefore in view of the said amendment, the Board of Directors considered revision of the remuneration paid to Shri Vijay Kumar Jatia, Chairman and Managing Director from the existing remuneration of ₹ 84 Lakhs to ₹ 1.68 crore p.a with effect from 1st October, 2016.

REPORT ON CORPORATE GOVERNANCE

As per SEBI (Listing Obligations And Disclosure Requirements) 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, 2017 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 Directors 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 DIRECTORS

Composition of Board

The current strength of the Board of Directors of the Company is Seven. The Board has an optimum combination of executive and non-executive directors, it consist of the Chairman and Managing Director who is an executive director alongwith two non-executive directors and four 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 directors on the Board of the Company. The Board has an Executive Chairman and the number of Independent Directors is more than half of the total strength of the Board.

The Company has complied with the requirements of 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; 26th May, 2016, 22nd July, 2016, 27th October, 2016, 02nd February, 2017 and 23rd March, 2017 and the gap between two Board meetings did not exceed 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 | Membership | | |
| Shri. Vijay Kumar 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 | 6 | 5 | Yes |
| Shri. P. K. Bubna | Non-Independent Non Executive | 1 | - | - | 5 | Yes |
| Smt. Gauri Jatia | Promoter Non Executive | 1 | - | - | 5 | Yes |
| Dr. Shivkumar Israni | Independent Non Executive | 4 | - | 2 | 5 | Yes |
| Shri. Kaiwan Kalyaniwala | Independent Non Executive | 5 | 4 | - | 5 | Yes |

* Shri. Anand Didwania attended the Board of Directors Meeting, Audit Committee Meeting and Nomination Remuneration Committee Meeting held on 23.3.2017 through Video Conference.

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.

Directors who could not attend the meetings have 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 Obligations and Disclosure Requirements) Regulation, 2015 is regularly made available to the Board.

To enable the Board to discharge its responsibilities effectively, the Members of the Board are briefed at every Board Meeting, on the overall performance of the Company, with presentations by functional heads. Senior management is invited to attend the Board Meetings so as to provide additional inputs to the items being discussed by the Board. The Company provides video conferencing facility to the Board of Directors 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 Directors and the same are confirmed at the subsequent Meeting.

DISCLOSURE OF RELATIONSHIP BETWEEN DIRECTORS 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 Directors.

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 Obligations and Disclosure Requirements) Regulation, 2015 as well as in Section 177 of 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 members. All the members of the Audit Committee are Non-Executive Directors. Two-thirds of the members of the Committee are Independent Directors. All the members of Audit Committee are financially literate and possess accounting and related financial management expertise. The Managing Director of the Company is a permanent invitee of the Audit Committee. At the invitation of the 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. The Company Secretary acts as the Secretary to the Audit Committee.

During the year under review Five meetings were held on 26th May, 2016, 22nd July, 2016, 27th October, 2016, 02nd February, 2017 and 23rd March, 2017 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 5 Meetings |
|----------------------|-------------|---|------------------------------|
| Shri Anand Didwania* | Chairman | Non-executive Independent Director | 5 |
| Shri R.R. Doshi | Member | Non-executive Independent Director | 5 |
| Dr. S.D.Israni | Member | Non-Executive Independent Director | 5 |
| Shri P. K. Bubna | Member | Non-executive Non-Independent Director | 5 |

* Shri. Anand Didwania attended the Audit Committee Meeting held on 23.3.2017 through Video Conference

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 behaviour, 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 directors of which three are Independent Non-executive directors. 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.

The terms of reference of the Nomination and Remuneration Committee include reviewing and recommending the terms of remuneration payable to the Executive Director, the Key Managerial Personnel (KMPs) and senior management personnel including executives holding office of profit. The Committee also evaluates the performance of the Board of Directors.

The Company Secretary acts as the Secretary to the Nomination and Remuneration Committee.

During the year under review two meetings were held on 26th May, 2016 and 23rd March, 2017. The meeting was attended by all the members of the Committee wherein Shri. Anand Didwania attended the Meeting through Video Conference.

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

The Managing Director is receiving remuneration as per the sanction accorded by the Members of the Company and the approval received from the Central Government (the details given in **Note No. 33** to the Accounts). Shri Vijay Kumar Jatia was re-appointed as Chairman and Managing Director with effect from 1st August 2015 for a period of three years at a remuneration of ₹ 1.80 crores per annum, since there was inadequacy of profits / loss the Company had made necessary application to the Central Government and the Central Government had vide its approval dated 02.06.2016 approved the remuneration of ₹ 84 Lakhs per annum. On 12th September, 2016 the Ministry of Corporate Affairs issued a Notification which replaced the Schedule V of the Companies Act, 2013 with the Amended Schedule V with revised Effective Capital tranches and limit of remuneration payable therein. Moreover the limit of Remuneration based on the Effective Capital could also be doubled with Shareholders approval and without Central Government Approval. In the view of the said amendment, the Board of Directors approved the revision of the remuneration paid to Shri. Vijay Kumar Jatia, Chairman and Managing Director from the existing remuneration of ₹ 84 Lakhs to ₹ 1.68 Crore w.e.f 1st October, 2016.

Details of the sitting fees paid to non-executive Directors during the financial year 2016-2017

| 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 | 200000 | 80000 | NIL | NIL | NIL | 40000 | 520000 |
| Shri. R Doshi | 200000 | 200000 | 80000 | 40000 | NIL | NIL | 40000 | 560000 |
| Shri. P Bubna | 200000 | 200000 | NIL | 40000 | 40000 | NIL | NIL | 480000 |
| Smt. G Jatia | 200000 | NIL | NIL | NIL | 40000 | NIL | NIL | 240000 |
| Shri. S. D Israni | 200000 | 200000 | 80000 | NIL | NIL | 40000 | 40000 | 560000 |
| 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 | 520000 | - | - |
| 2 | Shri. Rajas R. Doshi | 560000 | - | - |
| 3 | Shri. Pradip Kumar Bubna | 480000 | 1230 | - |
| 4 | Smt. Gauri Jatia | 240000 | 17850 | - |
| 5 | Dr. Shivkumar Israni | 560000 | - | - |
| 6 | Shri. Kaiwan Kalyaniwala | 320000 | - | - |

REMUNERATION POLICY:

Salient Features of the Remuneration Policy:

1. To guide the Board in relation to appointment and removal of Directors, Key Managerial Personnel (KMP) and Senior Management Personnel one level below the Board and other employees.
2. To formulate criteria for evaluation of the Directors and the Board.
3. To recommend to the Board on remuneration payable to the Directors, 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 diversity.

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 Directors have formulated the criteria based on which the Chairman and other non-Executive Directors 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 Members.
- 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 directors; one of them being independent Director. Shri.Rajas R. Doshi is the Chairman of the Stakeholder/Relationships Committee. Shri. Parind Badshah, Vice-President & Company Secretary acts as Secretary to the Committee.

During the year, the Committee met once, on 27th October, 2016. 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. Vijay Kumar Jatia | Member | Executive Director | 1 |
| Shri. Pradip Kumar Bubna | Member | Non-Executive Director | 1 |

Complaints received during the year

| 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, 2016 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 DIRECTORS:

The Independent Directors of the Company met once during the year on 23rd March, 2017 to review the performance of non-independent Directors and Chairman of the Company and also accessed the quality, quantity and timeliness of flow of information between the Company management and the Board.

The Company conducts familiarization programmes for Independent Directors 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 26th May, 2016 in which all the members 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 Directorship | Attendance in Meetings |
|---------------------------|-------------|------------------------------------|------------------------|
| Shri. Vijay Kumar Jatia | Chairman | Executive 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)

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

During the year, the Committee met once on 26th May, 2016. The Board of Directors 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 Directorship | Attendance in Meetings |
|---------------------------|-------------|------------------------------------|------------------------|
| Shri. Vijay Kumar Jatia | Chairman | Executive Director | 1 |
| Shri. Kaiwan Kalyaniwalla | Member | Non-executive Independent Director | 1 |
| Dr. 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 |
|----------------|-----------------|-----------|--|
| 2013-2014 | 23.07.2014 | 4.00 p.m. | Modern Centre, Sane Guruji Marg, Mahalaxmi, Mumbai - 400011 |
| 2014-15*EOGM | 09.12.2014 | 4.00 p.m. | Modern Centre, Sane Guruji Marg, Mahalaxmi, Mumbai - 400011 |
| 2014-2015 | 08.08.2015 | 4.00 p.m. | Kamalayan Bajaj Hall, Bajaj Bhavan, NarimanPoint,Mumbai-400021 |
| 2015-16 | 22.07.2016 | 4.00 p.m. | Bhogilal Hargovindas, 2nd Floor, 18/20, K Dubash Marg, Behind Prince Of Wales Museum, Mumbai G.P.O(Fort), VB Gandhi Road, Kala Ghoda, Fort, Mumbai, Maharashtra 400001 |

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 | 80th AGM 2013-2014 | 149,152 | Appointment of the Independent Directors of the Company Shri. Rajas Doshi, Shri. Anand Didwania, Shri. Dilip Thakkar, Shri. Shivkumar Israni, Shri. Kaiwan Kalyaniwalla (passed as ordinary resolution) |
| 2 | EOGM held on 9th December, 2014 | 188 | Consent to the increase in the remuneration of Shri Sidhant Jatia, AND Mudit Jatia -Executive of the Company, a relative of the Directors |
| 3 | Postal Ballot 2nd August,2014 | 180(1)(c)180(1)(a) 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 Vijay Kumar Jatia as the Managing Director of the Company for further period of 3 years with effect from 1 st August 2015 and payment of remuneration to him. |
| | | 198 | Approval of payment of commission to non executive directors and independent directors for a further period of five years. |

During the year no Resolutions were passed through Postal Ballot.

There were no special Resolutions passed in 83rd Annual General Meeting.

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 Directors of Modern India Property Developers 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 Directors 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, 2017 are as under:

| Name of the WOS/ Subsidiary | Date of becoming WOS/Subsidiary | Country in which Incorporated |
|---|---------------------------------|-------------------------------|
| Foreign Subsidiary: Modern International (Asia) Limited - Hongkong (WOS) | August 2, 2004 | Hong Kong |

| Indian Subsidiary: | | |
|--|-------------------|-------|
| 1. Modern India Property Developers Ltd. – (WOS) | September 7, 2000 | India |
| 2. Modern India Free Trade Warehousing Pvt. Ltd. | July 4, 2008 | India |
| 3. Verifacts Services Private Limited | February 4, 2014 | 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 directors 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 Directors of the Holding Company.

XI. DISCLOSURES

- a) All the related party transactions arising in the ordinary course of business are placed periodically before the audit committee in summary form. The Related Party Transactions are disclosed in Note No 44. All the material related party transactions were on an arm's length basis and in the due course of business.
- b) All Accounting Standards mandatorily required have been followed in preparation of financial statements and no deviation has been made in following the same.
- c) Risk assessment and its minimization procedures have been laid down by the Company and the same have been informed to the Directors. 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 Directors vis-à-vis the Company have been disclosed in **item IV** of this report;
 - ii) It is to be noted Shri Vijay Kumar Jatia was re-appointed as Chairman and Managing Director with effect from 1st August, 2015 for a further period of three years at a remuneration of ₹ 1.80 crores per annum by the Members at the Annual General Meeting held on 8th August 2015, due to inadequacy of profits / loss the Company had made necessary application to the Central Government and the Central Government had vide its approval dated 02.06.2016 approved the remuneration of ₹. 84Lakhs per annum. On 12th September, 2016 the Ministry of Corporate Affairs issued a Notification which replaced the Schedule V of the Companies Act, 2013 with the Amended Schedule V with revised Effective Capital tranches and limit of remuneration payable therein. Moreover the limit of Remuneration based on the Effective Capital could also be doubled with Shareholders approval and without Central Government Approval. In the view of the said amendment, the Board of Directors approved the revision of the remuneration paid to Shri. Vijay Kumar Jatia, Chairman and Managing Director from the existing remuneration of ₹. 84 Lakhs to ₹ 1.68 Crore w.e.f 1st October,2016.

Managing Director's Remuneration (in ₹.)

| | |
|------------------------------------|--------------------|
| i) Salary | 73,50,000 |
| ii) Contribution to Provident Fund | 8,82,000 |
| iii) Perquisites | 41,75,989 |
| iv) Commission | - |
| TOTAL | 1,24,07,989 |

(iii) The service of the Managing Director is on contractual basis for a period of three (3) years up to 31.07.2018. Shri. Vijay Kumar Jatia was re-appointed by the Board of Directors at their meeting held on 11th May, 2015, for a period of 3 years as Managing Director with effect from 1st August, 2015 and the Members 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 Obligations 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 Obligations 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 Directors of the Company.
- h) 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 years.

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

Details of director seeking re-appointment as Rotational Director at the ensuing Annual General Meeting fixed on Tuesday, the 8th August, 2017

| 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) |
|---------------------------------|---------------|---------------------|----------------|---------------------------------------|--|---|---------------------------------------|
| Shri. Pradip Kumar Bubna | 13.05.1958 | 29.04.2002 | B.Com | Business | Shree Rani Sati Investment and Finance limited | - | 1230 |

XIII MEANS OF COMMUNICATION

- a) **Quarterly, Half Yearly and Annual Results:** Quarterly, Half Yearly and Annual results were published in, Mint and Apala Mahanagar 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, unclaimed dividend 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, Board's Report, Auditors' Report and other important information is circulated to the Members and others entitled thereto.
- e) **BSE Website:** Annual Report, Quarterly Results, Shareholding Pattern, etc. of the Company were also filled and uploaded on the BSE website www.bseindia.com.

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

The Board at its meeting held on 26th May, 2016 adopted the revised Code of Business Conduct and Ethics for Directors and Senior Management ('the Code'). The Code is a comprehensive Code applicable to all Directors, Executive as well as Non-Executive and also to the members of Senior Management. The Code while laying down, in detail, the standards of business conduct, ethics and governance, centers on the following theme – "The Company's Board of Directors and Senior Management are responsible for and are committed to setting the standards of conduct contained in the Code and for updating these standard, as appropriate, to ensure their continuing relevance, effectiveness and responsiveness to the needs of local and international investors and all other stakeholders as also to reflect corporate, legal and regulatory developments."

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 members 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 statutes 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 Members of the Board and Senior Management, affirmation that they have complied with the Code of Business Conduct and Ethics for Directors and Senior Management in respect of financial year 2016-17.

Sd/-

Vijay Kumar Jatia

Chairman & Managing Director

XV GENERAL SHAREHOLDER INFORMATION

| | |
|---|--|
| AGM: Date, time and venue | 8th August, 2017, 4.00p.m. Kamalnayan Bajaj Hall, Bajaj Bhavan, Nariman Point, Mumbai-400021 |
| Financial Calendar (Tentative) | Unaudited Financial Results for quarter ending 30 th June, 2017 On or before 14 th August, 2017 |
| Unaudited Financial Results for quarter ending 30 th September, 2017 | On or before 14 th November, 2017 |
| Unaudited Financial Results for quarter ending 31 st December, 2017 | On or before 14 th February, 2018 |
| Results for the year ending 31 st March, 2018 | Audited Financial Results - on or before 30 th May, 2018 |

| | |
|---|--|
| Date of Book closure | From 22 nd July, 2017 to 08 th August, 2017 (Both days inclusive), for payment of dividend & 83 rd Annual General Meeting. |
| Dividend Payment Date | On or Before 12.08.2017 |
| Listing on Stock Exchanges | The Bombay Stock Exchange Limited, Mumbai. The Company has paid the Listing Fees for the year 2017-2018 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:

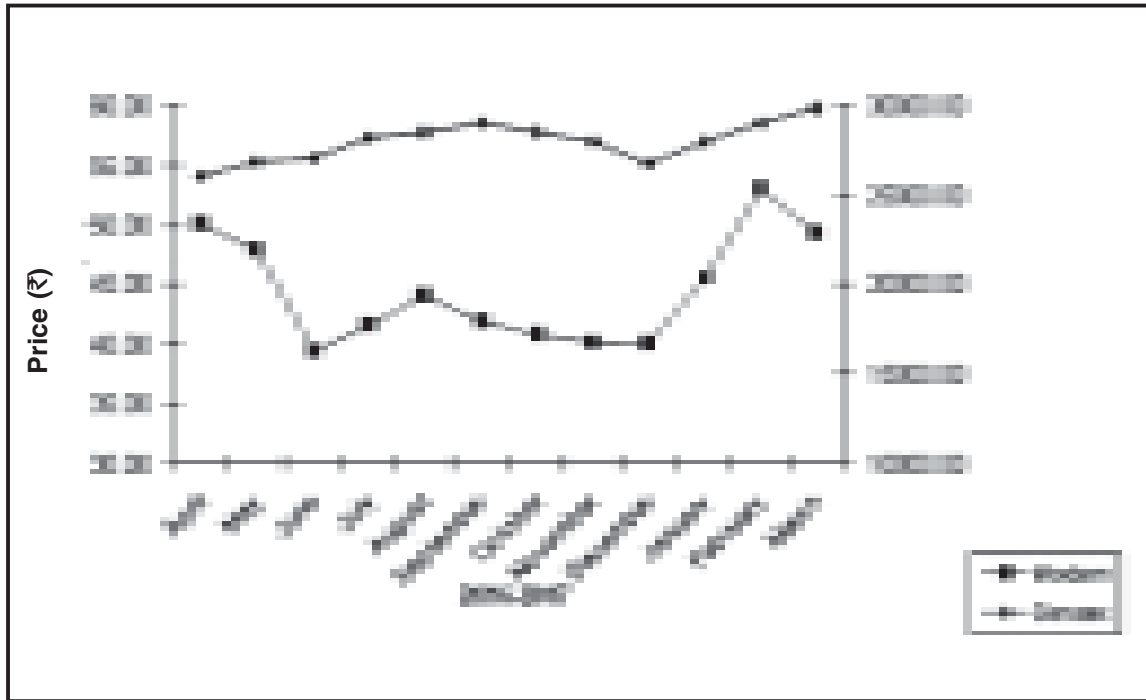
All the applications for transfer of shares in physical form are first processed by the Company's Share Transfer Agents M/S Satellite Corporate Services Pvt. Ltd. Thereafter the same are approved by the Managing Director/Company Secretary. The duly approved transfers are registered and the relevant certificates 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 a 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 | Low (₹) Stock Price | High (₹) Stock Price | High (₹) BSE Sensex |
|-----------------------|---------------------|----------------------|---------------------|
| APRIL,2016 | 42.80 | 50.00 | 26100.54 |
| MAY ,2016 | 40.15 | 47.85 | 26837.20 |
| JUNE,2016 | 35.25 | 39.40 | 27105.41 |
| JULY,2016 | 36.10 | 41.55 | 28240.20 |
| AUGUST,2016 | 36.60 | 44.00 | 28532.25 |
| SEPTEMBER,2016 | 32.50 | 41.85 | 29077.28 |
| OCTOBER,2016 | 32.30 | 40.80 | 28477.65 |
| NOVEMBER,2016 | 33.30 | 40.25 | 28029.80 |
| DECEMBER,2016 | 32.30 | 40.00 | 26803.76 |
| JANUARY,2017 | 36.90 | 45.65 | 27980.39 |
| FEBRUARY,2017 | 39.90 | 53.00 | 29065.31 |
| MARCH,2017 | 39.79 | 49.25 | 29824.62 |

Source: BSE website



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

Distribution of shareholding as on 31st March, 2017

| Sr. No. | Shareholding of Nominal Value ₹ | Number of Shareholders | Percentage | Face Value Amount in ₹ | Amount in Percentage |
|--------------|------------------------------------|------------------------|---------------|---------------------------|----------------------|
| 1 | Up to 2500 | 3109 | 91.28 | 1614416 | 2.15 |
| 2 | 2501 to 5000 | 161 | 4.73 | 587590 | 0.78 |
| 3 | 5001 to 10000 | 61 | 1.79 | 401458 | 0.53 |
| 4 | 10001 to 20000 | 35 | 1.03 | 495362 | 0.66 |
| 5 | 20001 to 30000 | 12 | 0.35 | 306310 | 0.41 |
| 6 | 30001 to 40000 | 4 | 0.12 | 143174 | 0.19 |
| 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 | 0.56 | 71181196 | 94.80 |
| TOTAL | | 3406 | 100.00 | 75085500 | 100.00 |

Statement Showing Shareholding Pattern 31.03.2017

| 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 01.04.2016) | | | | No of shares held at the end of the year (as on 31.03.2017) | | | | % 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 31.03.2017

| 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 01.04.2016) | | | | No of shares held at the end of the year (as on 31.03.2017) | | | | % 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 | | | | | | | | | |
| Bodies Corporate | | | | | | | | | |
| i) Indian | 979486 | 1325 | 980811 | 2.61 | 993659 | 1325 | 994984 | 2.65 | 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 ₹.1 Lakh | 708182 | 907545 | 1615727 | 4.30 | 719724 | 890920 | 1610644 | 4.29 | -0.01 |
| Individual Shareholders | | | | | | | | | |
| holding nominal Share | | | | | | | | | |
| Capital in excess of ₹.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 | 25 | 0 | 25 | 0.00 | 300 | 0 | 300 | 0.00 | 0.00 |
| Overseas Corporate Bodies | 0 | 250000 | 250000 | 0.67 | 0 | 250000 | 250000 | 0.67 | 0.00 |
| Non Resident Indians | 19120 | 34375 | 53495 | 0.14 | 3528 | 33125 | 36653 | 0.10 | -0.04 |
| HUF | 43665 | 0 | 43665 | 0.12 | 49892 | 0 | 49892 | 0.13 | 0.02 |
| Foreign National | 0 | 0 | 0 | 0.00 | 1250 | 0 | 1250 | 0.00 | 0.00 |
| Directors & their relatives | 1230 | 0 | 1230 | 0.00 | 1230 | 0 | 1230 | 0.00 | 0.00 |
| Sub-total (B) (2) | 1751708 | 1193245 | 2944953 | 7.84 | 1769583 | 1175370 | 2944953 | 7.84 | 0.00 |
| Total Public Shareholding | | | | | | | | | |
| (B) = (B)(1)+(B)(2) | 8140468 | 1245220 | 9385688 | 25.00 | 8158343 | 1227345 | 9385688 | 25.00 | 0.00 |
| TOTAL (A)+(B) | 36297530 | 1245220 | 37542750 | 100.00 | 36315405 | 1227345 | 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) | 36297530 | 1245220 | 37542750 | 100.00 | 36315405 | 1227345 | 37542750 | 100.00 | 0.00 |

Share Ownership Pattern as on 31.03.2017

| | 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 | 994984 | 1989968 | 2.65 |
| (vi) Non-Residents | 36653 | 73306 | 0.10 |
| (vii) Overseas Body Corporate | 250000 | 500000 | 0.67 |
| (viii) FOREIGN INSTITUTIONAL INVESTORS | 4461519 | 8923038 | 11.88 |
| (ix) Public (Others) | 1662586 | 3325172 | 4.42 |
| TOTAL | 37542750 | 75085500 | 100.00 |

Minimum Public Shareholding The Company has maintained the minimum Public Shareholding as per SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015.

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 2013, 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, 2017 is as follows:

| Financial Year | Unpaid/Unclaimed Dividend as on 31.03.2017 | Date of Declaration | Date of Transfer to IEPF |
|----------------|--|---------------------|--------------------------|
| 2009-10 | 3,43,570.00 | 30.07.2010 | 30.08.2017 |
| 2010-11 | 2,82,629.60 | 28.07.2011 | 28.08.2018 |
| 2011-12 | 3,60,630.40 | 08.08.2012 | 08.09.2019 |
| 2012-13 | 4,44,076.00 | 23.07.2013 | 23.08.2020 |
| 2013-14 | 3,48,265.00 | 23.07.2014 | 23.08.2021 |
| 2014-15 | 87,236.04 | 08.08.2015 | 08.09.2022 |
| 2015-16 | 2,19,468.60 | 22.07.2016 | 22.08.2023 |

Shareholders are advised by the Company well in advance before transferring the unclaimed dividends in IEPF.

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.

Shareholders are requested to note that further to the Notification issued by the Ministry of Corporate Affairs notifying the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Amendment Rules 2017, whereby the shares in respect of which the dividend has not been paid or claimed for a period of seven consecutive years or more are required to be transferred to the Investor Education and Protection Fund (IEPF) Authority. The cut off date for the same was 31st May 2017.

The Company had released advertisement in the newspapers and also sent letters to the shareholders individually requesting them to claim their dividend and shares before the cut off date. In the event any shareholder desires to claim the same, they can approach the Investor Education and Protection Fund authority for the same. List of Members whose dividend was unclaimed and whose shares will be transferred as per the directives of the IEPF Authority has been uploaded on the website of the Company under the tab Investor Relations – Unclaimed Dividend.

Dematerialization of shares and liquidity:

As on 31.03.2017, 36315405 Equity Shares of the Company had been dematerialized, which represent 96.72% 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 2017.

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 1154850 physical shares under 1922 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. It may be noted that as stated above the Members who have not claimed their dividend from last seven years consecutively would be transferred to the IEPF Authority.

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 Transaction Policy in consistency with listing requisitions 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

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 Managing Director (CEO) has issued a certificate to the Board of Directors, for the year ended 31st March, 2017.

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 Director

Sd/-

Vijay Kumar Jatia

Chairman & Managing Director

Mumbai, 19th May, 2017

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, 2017.

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.

Place: Mumbai

Date: 19th May, 2017

For K. S. Aiyar & Co,

Chartered Accountants

Registration No: 100186W

Sd/-

Satish Kelkar

Partner

Membership No.: 38934

**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) There are no Significant changes in internal control over financial reporting during the year;
 - b) There are no 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 : 19th May, 2017

Chairman and Managing Director

Chief Financial Officer

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, 2017, 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

Trade receivables as on March 31, 2017 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 (NSE). 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, 2017, and its loss and its cash flows for the year ended on that date.

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, 2017 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2017 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 no. 31 to the standalone 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;
 - iv. the Company has provided requisite disclosures in its standalone financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8th November, 2016 to 30th December, 2016 and these are in accordance with the books of accounts maintained by the Company. Refer note no. 35 to the standalone financial statements.

For K. S. Aiyar & Co.

Chartered Accountants

ICAI Firm Registration No. 100186W

Sd/-

Satish Kelkar

Partner

Membership No: 38934

Place: Mumbai

Date: May 19, 2017

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, 2017, 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) During the year, the Company has not granted any loans, secured or unsecured to Companies, Firms, Limited Liability Partnerships or other parties covered in the register maintained under Section 189 of the Companies Act, 2013. Accordingly, sub-clause (a), (b) and (c) are not applicable.
- (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, 2017 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

Sd/-

Satish Kelkar

Partner

Membership No: 38934

Place: Mumbai

Date: May 19, 2017

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, 2017, 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 2017, 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

Sd/-

Satish Kelkar

Partner

Membership No: 38934

Place: Mumbai

Date: May 19, 2017



BALANCE SHEET AS AT 31st MARCH, 2017

| | | (Amount in ₹) | |
|--|----|------------------------------|------------------------------|
| | | As at | As at |
| | | March 31, 2017 | March 31, 2016 |
| I. EQUITY AND LIABILITIES | | | |
| (1) Shareholders' Funds: | | | |
| (a) Share Capital | 2 | 7,50,85,930 | 7,50,85,930 |
| (b) Reserves and Surplus | 3 | <u>34,03,92,287</u> | <u>38,39,16,991</u> |
| | | 41,54,78,217 | 45,90,02,921 |
| (2) Non-current Liabilities: | | | |
| (a) Long-term Borrowings | 4 | - | 9,00,00,000 |
| (b) Other Long-Term Liabilities | 5 | 85,00,00,000 | 76,00,00,000 |
| (c) Long-term Provisions | 6 | <u>31,74,887</u> | <u>29,93,410</u> |
| | | 85,31,74,887 | 85,29,93,410 |
| (3) Current Liabilities: | | | |
| (a) Short-term Borrowings | 7 | 8,13,51,181 | 2,13,53,475 |
| (b) Trade Payables | | 1,25,59,763 | 13,85,85,324 |
| (c) Other Current Liabilities | 8 | 1,14,56,389 | 1,57,86,004 |
| (d) Short-term Provisions | 9 | <u>26,95,021</u> | <u>1,62,49,065</u> |
| | | 10,80,62,354 | 19,19,73,868 |
| TOTAL | | <u>1,37,67,15,458</u> | <u>1,50,39,70,199</u> |
| II. ASSETS: | | | |
| (1) Non-current Assets | | | |
| (a) Fixed Assets | 10 | | |
| (i) Tangible Assets | | 20,54,21,587 | 23,71,23,143 |
| (ii) Intangible Assets | | - | 60,678 |
| (iii) Capital work-in-progress | | 3,48,88,824 | 3,64,11,217 |
| (iv) Intangible Assets Under Development | | <u>16,68,750</u> | <u>14,18,750</u> |
| | | 24,19,79,161 | 27,50,13,788 |
| (b) Non-current Investments | 11 | 65,47,99,112 | 66,59,94,869 |
| (c) Deferred Tax Assets (Net) | 12 | 4,14,39,703 | 1,44,68,355 |
| (d) Long term Loans and Advances | 13 | 4,05,05,195 | 4,04,63,771 |
| (e) Other Non Current Assets | 14 | 1,33,87,368 | 1,33,87,368 |
| (2) Current Assets: | | | |
| (a) Inventories | 15 | 16,48,79,749 | 16,51,94,360 |
| (b) Trade Receivables | 16 | 18,64,53,792 | 29,42,39,847 |
| (c) Cash and Bank Balances | 17 | 28,07,049 | 42,08,900 |
| (d) Short term Loans and Advances | 18 | 2,77,83,418 | 2,73,33,233 |
| (e) Other Current Assets | 19 | <u>26,80,911</u> | <u>36,65,708</u> |
| | | 38,46,04,919 | 49,46,42,048 |
| TOTAL | | <u>1,37,67,15,458</u> | <u>1,50,39,70,199</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 19th May, 2017

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 19th May, 2017

Statement of Profit and Loss for the Year ended 31st March, 2017

| | | (Amount in ₹) | | |
|-------|--|---------------|---------------|---------------|
| | Note No. | 2016-2017 | 2015-2016 | |
| I. | Revenue from Operations | 22 | 56,94,29,431 | 80,53,36,634 |
| II. | Other Income | 23 | 2,36,08,154 | 14,79,08,373 |
| III. | Total (I + II) | | 59,30,37,585 | 95,32,45,007 |
| IV. | Expenses: | | | |
| | (a) Purchase of Traded Goods | | 47,97,50,637 | 76,84,10,501 |
| | (b) Changes in inventories of Stock -in-trade | 24 | 3,14,610 | (2,54,21,558) |
| | (c) Employee benefits expenses | 25 | 4,91,09,720 | 4,01,52,352 |
| | (d) Finance Cost | 26 | 92,90,138 | 3,85,46,890 |
| | (e) Depreciation and Amortization expenses | 10 | 3,18,47,435 | 3,96,29,596 |
| | (f) Other expenses | 27 | 9,32,42,251 | 9,02,82,074 |
| | Total | | 66,35,54,791 | 95,15,99,855 |
| V. | Profit / (Loss) before exceptional and extraordinary items and tax | | (7,05,17,206) | 16,45,152 |
| VI. | Exceptional item - Net | | - | - |
| VII. | Profit / (Loss) before extraordinary items and tax | | (7,05,17,206) | 16,45,152 |
| VIII. | Extraordinary Items | | - | - |
| IX. | Profit / (Loss) before Prior period Expenses and Tax | | (7,05,17,206) | 16,45,152 |
| X. | Prior Period Expenses | | - | - |
| XI. | Profit / (Loss) before Tax | | (7,05,17,206) | 16,45,152 |
| XII. | Tax expense: | | | |
| | (1) Current Tax | | - | - |
| | (2) Deferred Tax | 12 | (2,69,71,348) | 2,71,637 |
| | (3) Tax Adjustments of prior years (Net) | | (21,154) | - |
| XIII. | Profit / (Loss) for the period after Tax | | (4,35,24,704) | 13,73,515 |
| XIV. | Earnings per Equity Share | 43 | | |
| | (1) Basic | | (1.16) | 0.04 |
| | (2) Diluted | | (1.16) | 0.04 |

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 19th May, 2017

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 19th May, 2017

CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH, 2017.

| | (Amount in ₹) | |
|---|----------------------|-----------------------|
| A. Cash Flow From Operating Activities: | 2016-2017 | 2015-2016 |
| Net Profit / (Loss) | <u>(4,35,24,704)</u> | <u>13,73,515</u> |
| Add / (Less) : | | |
| Depreciation | 3,18,47,435 | 3,96,29,596 |
| Dividend Income | (3,96,362) | (28,99,261) |
| Profit on sale of Investment | (11,59,308) | (1,08,31,910) |
| Interest Income | (58,03,597) | (91,97,219) |
| Loss/(Profit) on sale of Fixed Assets | 11,87,818 | (12,40,75,797) |
| Interest Expenses | 92,90,138 | 3,85,46,890 |
| | <u>3,49,66,124</u> | <u>(6,88,27,701)</u> |
| Operating Profit/(Loss) before working Capital Changes | <u>(85,58,580)</u> | <u>(6,74,54,186)</u> |
| Increase/(Decrease) in Inventories | 3,14,611 | (2,54,21,558) |
| Increase/(Decrease) in Trade Receivables | 10,77,86,055 | (10,58,50,713) |
| Increase/(Decrease) in Trade payable | (12,60,25,561) | 10,18,75,135 |
| Increase/(Decrease) in long term loans and advances | 2,19,431 | 67,19,637 |
| Increase/(Decrease) in Other current assets | 9,84,797 | 42,81,852 |
| Increase/(Decrease) in Short term loans and advances | (4,40,017) | (8,19,127) |
| Increase/(Decrease) in Short term provisions | 1,632 | 8,74,419 |
| Increase/(Decrease) in Long term provisions | 1,81,477 | 9,76,410 |
| Increase/(Decrease) in Other Current Liabilities | (16,31,277) | (5,96,52,291) |
| Cash Generated from Operations | <u>(2,71,67,431)</u> | <u>(14,44,70,421)</u> |
| Direct Taxes Paid (Net) | (2,72,32,203) | (16,20,879) |
| Net Cash Used in Operating Activities | <u>(5,43,99,634)</u> | <u>(14,60,91,300)</u> |
| B. Cash Flow from Investing Activities: | | |
| Purchase of Fixed Assets | (626) | 14,12,32,217 |
| Purchase of Investments | 1,23,55,065 | (3,14,35,419) |
| Loans given | (10,168) | 4,81,90,986 |
| Dividend income | 3,96,362 | 28,99,261 |
| Interest Received | 58,03,597 | 91,97,219 |
| Net Cash Used in Investing Activities | <u>1,85,44,230</u> | <u>17,00,84,264</u> |
| C. Cash Flow from Financing Activities: | | |
| Repayment of Long Term Borrowings | (24,79,468) | 30,05,37,274 |
| Proceeds from Short Term Borrowings | 5,99,97,706 | (28,26,45,809) |
| Interest Paid | (92,90,138) | (3,85,46,890) |
| Dividend Paid | (1,35,55,676) | (54,22,271) |
| Net Cash from Financing Activities | <u>3,46,72,424</u> | <u>(2,60,77,696)</u> |
| Net Increase/(Decrease) in Cash and Cash Equivalents (A+B+C) | <u>(11,82,980)</u> | <u>(20,84,732)</u> |
| Opening Balance of Cash and Cash Equivalents | 19,04,154 | 39,88,886 |
| Closing Balance of Cash and Cash Equivalents | <u>7,21,174</u> | <u>19,04,154</u> |
| Net Increase/(Decrease) as disclosed above | <u>(11,82,980)</u> | <u>(20,84,732)</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 19th May, 2017

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 19th May, 2017

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 (GAAP) 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) 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 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 after tax 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, 2017 | | As at March 31, 2016 | |
|---|----------------------|---------------------------|----------------------|---------------------------|
| | 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><u>7,50,85,930</u></u> | | <u><u>7,50,85,930</u></u> |

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

| Equity Shares | Number | ₹ | Number | ₹ |
|---|-------------|-------------|-------------|-------------|
| 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. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts in proportion to their shareholding.

(c) Details of shareholders holding more than 5% of the aggregate 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 | | |
| As per last Balance Sheet | 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><u>3,17,59,000</u></u> | <u><u>3,17,59,000</u></u> |

| | As at March 31, 2017 | As at March 31, 2016 |
|--|----------------------|----------------------|
| | ₹ | ₹ |
| (iv) Surplus: | | |
| As per last Balance Sheet | 32,81,23,275 | 34,03,05,436 |
| Add/(Less): Profit / (Loss) for the current period | (4,35,24,704) | 13,73,515 |
| | 28,45,98,571 | 34,16,78,951 |
| Less: Proposed Dividend on Equity Shares. | - | 1,12,62,825 |
| Less: Tax on Distributed Profits | - | 22,92,851 |
| Closing Balance | 28,45,98,571 | 32,81,23,275 |
| Total of Reserves and Surplus | 34,03,92,287 | 38,39,16,991 |

The Board of Directors of the Company have recommended the payment of a dividend of 15% i.e. ₹ 0.30 per fully paid Equity Share of ₹ 2/- each (Previous year 15% i.e. ₹ 0.30 per Equity Share). This Proposed Dividend is subject to the approval of shareholders in the ensuing annual general meeting. Pursuant to amendment in Accounting Standard (AS) - 4, Contingencies and Events Occurring After the Balance Sheet Date, declaration of dividends to shareholders after the balance sheet date is not required to be recognized as a liability as at the balance sheet date.

Note No: 4 Long Term Borrowings

Secured:

| | | |
|--------------------------------------|----------|--------------------|
| Term Loan from Financial Institution | - | 9,00,00,000 |
| Total of Long Term Borrowings | - | 9,00,00,000 |

Note No: 5 Other Long Term Liabilities

Unsecured:

| | | |
|-------------------|---------------------|---------------------|
| Security Deposits | (*) 85,00,00,000 | 76,00,00,000 |
| | 85,00,00,000 | 76,00,00,000 |

(*) Repayment of Security Deposits of ₹ 85,00,00,000/- is dependent on development of some of the properties in Mumbai. The deposits do not carry any interest.

Note No: 6 Long Term Provisions

Provision for Employee Benefits: Note No. 34

| | | |
|-----------------------------|------------------|------------------|
| Gratuity (Unfunded) | 22,80,300 | 18,23,295 |
| Leave Encashment (Unfunded) | 8,94,587 | 11,70,115 |
| | 31,74,887 | 29,93,410 |

| | As at March 31, 2017 | As at March 31, 2016 |
|---|----------------------|----------------------|
| | ₹ | ₹ |
| Note No: 7 Short Term Borrowings | | |
| Secured: | | |
| (a) Loans Repayable on Demand | | |
| From Banks # | 7,13,51,181 | 2,13,53,475 |
| Unsecured: | | |
| From Related Party | 1,00,00,000 | - |
| Total Short Term Borrowings | 8,13,51,181 | 2,13,53,475 |

Secured by hypothecation of Investments in Units of Mutual Funds. The rate of Interest is in the range of 9.30% to 10.25% per annum.

Note No: 8 Other Current Liabilities

Secured:

| | | |
|--|---|-----------|
| Current Maturities of Car Finance Loan | - | 24,79,468 |
|--|---|-----------|

Unsecured:

| | | |
|-------------------------------------|--------------------|--------------------|
| (a) Deposits | 4,97,000 | 5,27,000 |
| (b) Income Received in Advance | 3,12,546 | 2,45,815 |
| (c) Unpaid Dividends (#) | 20,85,876 | 23,04,746 |
| (d) Other payables - Statutory Dues | 13,616 | 25,325 |
| (e) Other Liabilities | 85,47,351 | 1,02,03,650 |
| | 1,14,56,389 | 1,57,86,004 |

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

Note No: 9 Short Term Provisions

(a) Provision for Employee Benefits - Note no 34

| | | |
|--------------------------------|------------------|--------------------|
| Gratuity (Unfunded) | 15,70,832 | 10,93,464 |
| Leave Encashment (Unfunded) | 11,06,107 | 15,75,022 |
| Others | 18,082 | 24,903 |
| | 26,95,021 | 26,93,389 |
| (b) Proposed Dividend | - | 1,12,62,825 |
| (c) Tax on Distributed Profits | - | 22,92,851 |
| | 26,95,021 | 1,62,49,065 |

| Note No: 10 FIXED ASSETS | | | | | | | | | | |
|-------------------------------------|-----------------------|---------------------|-------------------------|---------------------|-----------------------------|--------------------|-------------------------------|---------------------|---------------------|---------------------|
| DESCRIPTION | GROSS BLOCK - AT COST | | | | DEPRECIATION / AMORTIZATION | | | | NET BLOCK | |
| | As At 01.04.2016 | Additions | Disposals/ Transfers | As At 31.03.2017 | As At 01.04.2016 | For the Year | On disposals/ Transfers | Upto 31.03.2017 | As At 31.03.2017 | As At 31.03.2016 |
| | (₹) | (₹) | (₹) | (₹) | (₹) | (₹) | (₹) | (₹) | (₹) | (₹) |
| A Tangible Assets | | | | | | | | | | |
| Land | 55,32,172 | - | - | 55,32,172 | - | - | - | - | 55,32,172 | 55,32,172 |
| | 55,32,172 | - | - | 55,32,172 | - | - | - | - | 55,32,172 | 55,32,172 |
| Buildings | 3,51,29,654 | 21,83,822 | - | 3,73,13,476 | 95,64,848 | 19,76,017 | - | 1,15,40,865 | 2,57,72,611 | 2,55,64,806 |
| | 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 |
| Plant and Equipments @ | 26,30,73,280 | 2,33,166 | 2,02,93,706 | 24,30,12,740 | 7,40,44,292 | 2,47,35,862 | 1,82,03,035 | 8,05,77,119 | 16,24,35,621 | 18,90,28,988 |
| | 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 |
| Furniture and Fixtures | 1,15,02,242 | 13,738 | 34,52,429 | 80,63,551 | 58,86,999 | 14,55,320 | 33,38,392 | 40,03,927 | 40,59,624 | 56,15,243 |
| | 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 |
| Vehicles | 2,47,54,805 | - | 7,07,107 | 2,40,47,698 | 1,33,72,871 | 36,19,557 | 5,66,289 | 1,64,26,139 | 76,21,559 | 1,13,81,934 |
| | 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 |
| TOTAL (A) | 33,99,92,153 | 24,30,726 | 2,44,53,242 | 31,79,69,637 | 10,28,69,010 | 3,17,86,756 | 2,21,07,716 | 11,25,48,050 | 20,54,21,587 | 23,71,23,143 |
| <i>Previous Year</i> | <i>19,94,73,696</i> | <i>22,78,16,017</i> | <i>8,72,97,560</i> | <i>33,99,92,153</i> | <i>9,85,02,372</i> | <i>3,95,68,935</i> | <i>3,52,02,297</i> | <i>10,28,69,010</i> | <i>23,71,23,143</i> | <i>10,09,71,324</i> |
| @ Includes Office Equipments | | | | | | | | | | |
| B Intangible Assets: | | | | | | | | | | |
| Brands / Trade Marks | 7,81,867 | - | - | 7,81,867 | 7,81,867 | - | - | 7,81,867 | - | - |
| | 7,81,867 | - | - | 7,81,867 | 7,81,867 | - | - | 7,81,867 | - | - |
| Computer Software | 27,81,866 | - | - | 27,81,866 | 27,21,188 | 60,678 | - | 27,81,866 | - | 60,678.00 |
| | 27,81,866 | - | - | 27,81,866 | 26,60,527 | 60,661 | - | 27,21,188 | 60,678 | 1,21,339 |
| TOTAL (B) | 35,63,733 | - | - | 35,63,733 | 35,03,055 | 60,678 | - | 35,63,733 | - | 60,678.00 |
| <i>Previous Year</i> | <i>35,63,733</i> | <i>-</i> | <i>-</i> | <i>35,63,733</i> | <i>34,42,394</i> | <i>60,661</i> | <i>-</i> | <i>35,03,055</i> | <i>60,678</i> | <i>1,21,339</i> |
| TOTAL (A + B) | 34,35,55,886 | 24,30,726 | 2,44,53,242 | 32,15,33,370 | 10,63,72,065 | 3,18,47,434 | 2,21,07,716 | 11,61,11,783 | 20,54,21,587 | 23,71,83,821 |
| <i>Previous Year</i> | <i>20,30,37,429</i> | <i>22,78,16,017</i> | <i>8,72,97,560</i> | <i>34,35,55,886</i> | <i>10,19,44,766</i> | <i>3,96,29,596</i> | <i>3,52,02,297</i> | <i>10,63,72,065</i> | <i>23,71,83,821</i> | <i>-</i> |
| Capital Work In progress | | | | | | | | | 3,48,88,824 | 3,64,11,217 |
| Intangible Assets Under Development | | | | | | | | | 16,68,750 | 14,18,750 |

Figures for the previous year are given in italics

As at March 31, 2017
As at March 31, 2016

| Note No: 11 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. 29) | 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> |
| | | | <u>-</u> | | <u>-</u> |
| (b) In Preference Shares | | | | | |
| 9% Redeemable Non-cumulative Preference Shares of Modern India Free Trade Warehousing Private Ltd. | | | | | |
| | 100 | 4,75,000 | 4,75,00,000 | 4,75,000 | 4,75,00,000 |
| Total of Trade Investments - Unquoted | | | <u>54,41,25,100</u> | | <u>54,41,25,100</u> |
| B. Other Investments: At Cost | | | | | |
| (i) In Fully paid up Equity Shares (Unquoted) | | | | | |
| The Shamrao Vithal Co-op Bank Ltd. | 25 | 20,000 | 5,00,000 | 20,000 | 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 | 1506 | 15,06,000 |
| IRFC - 7.35% - 15 YEARS | 1,000 | 588 | 5,88,000 | 588 | 5,88,000 |
| NABARD - 7.35% - 15 YEARS | 1,000 | 501 | 5,01,000 | 501 | 5,01,000 |
| NHAI - 7.29% - 15 YEARS | 1,000 | 771 | 7,71,000 | 771 | 7,71,000 |
| | | | <u>33,66,000</u> | | <u>33,66,000</u> |

| | As at March 31, 2017 | | | As at March 31, 2016 | |
|---|----------------------|---------------|---------------------|----------------------|---------------------|
| | 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 | 8,046 | 79,50,367 | 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 | 223 | 3,23,543 | 309 | 4,48,318 |
| Amara Raja Batteries Ltd | 1 | 623 | 5,45,050 | 510 | 4,45,764 |
| Asian Paints Ltd | 1 | 512 | 3,99,517 | 636 | 4,96,276 |
| Astral Poly Technik Ltd | 1 | 988 | 3,81,367 | 1,052 | 4,06,071 |
| Bajaj Finance Ltd | 2 | 646 | 2,78,345 | 94 | 4,05,022 |
| Bharat Forge Ltd | 2 | - | - | 534 | 5,95,926 |
| Britannia Industries Ltd | 2 | 191 | 6,02,553 | 139 | 4,54,290 |
| Bajaj Finserve Ltd | 5 | 214 | 4,26,406 | 125 | 2,48,571 |
| Cholamandalam Invt & Fin Co Ltd | 10 | 489 | 4,84,886 | - | - |
| Dabur India Ltd | 1 | - | - | 1,642 | 4,61,002 |
| Eicher Motors Ltd | 10 | 24 | 4,16,158 | 28 | 4,85,517 |
| Hevells India Ltd | 1 | 1,279 | 3,51,475 | 1,584 | 4,35,292 |
| Indusind Bank Ltd | 10 | 498 | 4,33,977 | 567 | 4,94,106 |
| Kotak Mahindra Bank Ltd | 5 | 596 | 4,11,672 | 776 | 5,36,003 |
| Lupin Ltd | 2 | 407 | 6,98,196 | 366 | 6,39,501 |
| Motherson Sumi Systems Ltd | 1 | 1,807 | 5,60,955 | 1,880 | 5,94,995 |
| MRF Ltd | 10 | 11 | 5,99,887 | - | - |
| P I Industries Ltd | 1 | 857 | 5,83,230 | 891 | 6,06,369 |
| Page Industries Ltd | 10 | 43 | 6,23,624 | 43 | 6,23,624 |
| Pidilite Industries Ltd | 1 | 653 | 3,64,584 | 882 | 4,92,439 |
| Shree Cement Ltd | 10 | 30 | 3,78,039 | 23 | 2,58,238 |
| Sun Pharma Ltd | 1 | - | - | 636 | 6,19,872 |
| Welspun India Ltd | 1 | 3,609 | 3,21,699 | - | - |
| Total | | | 1,91,28,270 | | 2,67,58,517 |
| C. In Units of Mutual Funds - At Cost (Unquoted) | | | | | |
| | | No. of Units | ₹ | No. of Units | ₹ |
| Milestone Real Estate Fund. | | 1356 | 13,56,000 | 1737 | 17,37,000 |
| India REIT Mumbai Redevelopment Fund | | 53.991 | 53,99,030 | 73.99 | 73,99,030 |
| ICICI Prudential Real Estate Scheme - 1 | | 391549 | 39,24,712 | 5,10,000 | 51,09,222 |
| HDFC Corporate Debts Opportunities Fund-Regular-Growth | | 699710.495 | 80,00,000 | 6,99,710.495 | 80,00,000 |
| HDFC Short Term Plan - Growth | | 253692.126 | 70,00,000 | 2,53,692.126 | 70,00,000 |
| HDFC Gilt Fund - Long Term - Growth | | 497418.399 | 1,50,00,000 | 4,97,418.399 | 1,50,00,000 |
| Kotak Medium Term Fund - Regular - Growth | | 612648.567 | 70,00,000 | 6,12,648.567 | 70,00,000 |
| Reliance Dynamic Bond Fund - Growth | | 800247.543 | 1,50,00,000 | 8,00,247.543 | 1,50,00,000 |
| Reliance Gilt Securities Fund - Growth | | 524188.687 | 1,00,00,000 | 5,24,188.687 | 1,00,00,000 |
| UTI Bond Fund - Growth | | 360243.525 | 1,50,00,000 | 3,60,243.525 | 1,50,00,000 |
| Total | | | 8,76,79,742 | | 9,12,45,252 |
| Total Non Current Investments (A+B+C) | | | 65,47,99,112 | | 66,59,94,869 |
| Aggregate amount of quoted investments [(B (ii) + (iii)] | | | 2,24,94,270 | | 3,01,24,517 |
| Market Value of Quoted Investments | | | 2,47,41,285 | | 2,68,24,607 |
| Aggregate amount of unquoted investments A+B (i)+C | | | 63,25,59,842 | | 63,61,25,352 |
| Aggregate Provision for Diminution in value of Non-Current Investment | | | 2,55,000 | | 2,55,000 |

| | As at March 31, 2017 | As at March 31, 2016 |
|---|----------------------|----------------------|
| | ₹ | ₹ |
| Note No: 12 Deferred Tax (Assets) - Net: | | |
| Deferred Tax Liabilities | | |
| (i) Difference between Net Block of Fixed Assets | 4,46,98,252 | 4,26,93,607 |
| (ii) Capital Gains Tax Liability | - | 3,40,565 |
| Gross Deferred Tax Liability | 4,46,98,252 | 4,30,34,172 |
| Deferred Tax Assets | | |
| (i) Expenditure under section 43B of the Income Tax Act, 1961 | 6,61,489 | 9,07,625 |
| (ii) Unabsorbed Depreciation / Business Loss | 8,36,09,783 | 5,56,30,534 |
| (iii) Others | 18,66,683 | 9,64,368 |
| Gross Deferred Tax Assets | 8,61,37,955 | 5,75,02,527 |
| Net Deferred Tax (Assets) | (4,14,39,703) | (1,44,68,355) |

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 Flat on the assumption that in the year of profit, the total income will exceed ₹ One crore.

Note No: 13 Long Term Loans and Advances

| | | |
|--|--------------------|--------------------|
| (Unsecured - considered good) | | |
| (a) Security Deposits | 3,17,50,062 | 3,17,80,442 |
| (b) Income Tax Deducted at Source (Net of Provision for Tax of Nil) | 87,55,133 | 84,94,278 |
| (c) Capital Advances | - | 1,89,051 |
| | 4,05,05,195 | 4,04,63,771 |

Note No: 14 Other Non Current Assets

| | | |
|------------------------|--------------------|--------------------|
| MAT Credit Entitlement | 80,24,702 | 80,24,702 |
| Others | 53,62,666 | 53,62,666 |
| | 1,33,87,368 | 1,33,87,368 |

| | As at March 31, 2017 | As at March 31, 2016 |
|---|----------------------|----------------------|
| | ₹ | ₹ |
| Note No: 15 Inventories | | |
| (a) Stock in trade (Trading) | 48,14,777 | 39,68,336 |
| (At the lower of Cost and Net Realizable Value) | | |
| (b) Real Estate Business: | | |
| (i) Land & Structures | 10,11,12,931 | 7,91,95,056 |
| (At the lower of Book and Net Realizable Value) | | |
| (ii) Land & Structures | | |
| (At the lower of Cost and Net Realizable Value) | 3,28,83,669 | 2,98,83,614 |
| (iii) Unsold Flat | - | 1,85,40,974 |
| (At the lower of Cost and Net Realizable Value) | | |
| (iv) Land | 2,12,29,733 | 2,02,68,697 |
| (At the lower of Book and Net Realizable Value) | | |
| (c) Renewable Energy Certificates | 46,98,000 | 1,31,91,025 |
| (At Net Realizable Value) | | |
| (d) Stores | 1,40,639 | 1,46,658 |
| (At the lower of Cost and Net Realizable Value) | | |
| | <u>16,48,79,749</u> | <u>16,51,94,360</u> |

Note No: 16 Trade Receivables - Unsecured

| | | |
|--|---------------------|---------------------|
| (i) Debts outstanding for a period exceeding six months | | |
| (a) Considered Good - Note No. 31 | 13,61,09,939 | 13,77,45,554 |
| (b) Considered Doubtful | 17,94,705 | |
| Less: Provision for Doubtful Debts | <u>-17,94,705</u> | 13,61,09,939 |
| (ii) Others | 5,03,43,853 | 15,64,94,293 |
| | <u>18,64,53,792</u> | <u>29,42,39,847</u> |

Note No: 17 Cash and Bank Balances

| | | |
|--|------------------|------------------|
| (i) Cash and Cash Equivalents: | | |
| (a) Balances with Banks | 5,86,870 | 11,05,238 |
| (b) Cash on Hand | 1,34,304 | 7,98,916 |
| (Particulars of Specified Bank Notes - Note No. 35) | | |
| (ii) Earmarked balances with Banks | 20,85,876 | 23,04,746 |
| - Unclaimed Dividends | | |
| | <u>28,07,049</u> | <u>42,08,900</u> |

| | As at March 31, 2017 | As at March 31, 2016 | |
|--|----------------------|----------------------|----------|
| | ₹ | ₹ | |
| Note No: 18 Short Term Loans and advances | | | |
| Secured considered good: | | | |
| (a) Inter Corporate Deposit | 1,24,08,778 | 1,24,08,778 | |
| (Secured against Marketable Equity Shares and Land) | | | |
| Less: Provision | - | 1,15,00,000 | 9,08,778 |
| | <u>1,24,08,778</u> | | |
| Unsecured considered good: | | | |
| (b) Inter Corporate Deposits | 1,03,69,182 | 1,03,59,014 | |
| (c) Advances Recoverable in Cash or in kind or for value to be received | 50,05,458 | 1,60,65,441 | |
| | <u>2,77,83,418</u> | <u>2,73,33,233</u> | |

| Name of the Company | Nature | Purpose | Repayment | ₹ | ₹ |
|-------------------------------|-----------|--------------------|-------------|-------------|-------------|
| Prabal Investrade Pvt. Ltd. | Secured | Working Capital | Already Due | 1,24,08,778 | 9,08,778 |
| Nine Globe Industry Pvt. Ltd. | Unsecured | Working Capital | Already Due | 1,03,69,182 | 1,00,00,000 |

Note No: 19 Other Current Assets

| | | |
|-------------------|------------------|------------------|
| Other Receivables | 26,80,911 | 36,65,708 |
| | <u>26,80,911</u> | <u>36,65,708</u> |

Note No: 20
Contingent Liabilities:

Corporate Guarantee of USD 5.60 Mio given by the Company to Indian Overseas Bank, Hong Kong for Working Capital Facilities granted by it to Wholly Owned Subsidiary M/s. Modern International (Asia) Limited as also counter guarantee given to Chairman & Managing Director in respect of personal guarantee given by him in respect of the aforesaid facility.

| | |
|---------------------|---------------------|
| 36,30,96,160 | 37,14,64,240 |
| <u>36,30,96,160</u> | <u>37,14,64,240</u> |

Note No: 21 Capital & Other Commitments:

Estimated Value of Contracts in Capital Account remaining to be executed and not provided for

| | | |
|------------------------------------|----------|----------|
| (Net of advances of ₹ 16,68,750/-) | 2,06,250 | 4,56,250 |
| Other Commitments | - | 5,00,000 |

| | As at March 31, 2017 ₹ | As at March 31, 2016 ₹ |
|---|---------------------------|---------------------------|
| Note No: 22 Revenue from Operations | | |
| (a) Sale of Products | 48,76,14,702 | 78,03,70,897 |
| (b) Revenue from Renewable Energy Generation | 3,16,68,001 | 2,22,20,948 |
| (c) Sale of Flat | 4,75,00,000 | - |
| (d) <u>Sale of Services:</u> | | |
| (i) Vocational Training Fees | 1,28,450 | 9,71,369 |
| (ii) Income from Real Estate Business | 3,10,000 | 2,83,516 |
| (e) Other Operating Revenues | | |
| Rent Income | 22,08,278 | 14,89,904 |
| | <u>56,94,29,431</u> | <u>80,53,36,634</u> |
| Note No: 23 Other Income | | |
| (a) Interest Income | 58,03,597 | 91,97,219 |
| (b) Dividend Income (Note No. 30) | 3,96,362 | 28,99,261 |
| (c) Net gain on sale of investments: | | |
| Profit on Sale of Non Current Investments | 11,59,308 | 1,07,95,384 |
| (d) Income from Business Support Services | 36,00,000 | - |
| (e) Other Non-operating Income: | | |
| (i) Provision no longer required Written Back | 1,16,14,378 | 54,983 |
| (ii) Profit on Sale of Fixed Assets | - | 12,40,75,797 |
| (iii) Miscellaneous income | 10,34,509 | 8,85,729 |
| | <u>2,36,08,154</u> | <u>14,79,08,373</u> |
| Note No: 24 (Increase) / Decrease in Inventories | | |
| <u>Inventories at the end of the Year</u> | | |
| (a) Traded Goods | 48,14,777 | 39,68,336 |
| (b) Real Estate Business | | |
| (i) Land & Structure | 10,11,12,931 | 7,91,95,056 |
| (ii) Land & Structure | 3,28,83,669 | 2,98,83,614 |
| (iii) Unsold Flat | - | 1,85,40,974 |
| (iv) Land | 2,12,29,733 | 2,02,68,697 |
| (c) Stores | 1,40,639 | 1,46,657 |
| (d) Renewable Energy Certificates | 46,98,000 | 1,31,91,025 |
| | <u>16,48,79,749</u> | <u>16,51,94,359</u> |
| <u>Inventories at the beginning of the Year</u> | | |
| (a) Traded Goods | 39,68,336 | 41,07,716 |
| (b) Real Estate Business | | |
| (i) Land & Structure | 7,91,95,055 | 6,71,95,056 |
| | - | - |
| | <u>7,91,95,055</u> | <u>6,71,95,056</u> |
| (ii) Land & Structure | 2,98,83,614 | 2,94,99,614 |
| (iii) Unsold Flat | 1,85,40,974 | 1,85,40,974 |
| (iv) Land | 2,02,68,697 | 2,02,68,697 |
| (c) Stores | 1,46,658 | 1,60,744 |
| Renewable Energy Certificates | 1,31,91,025 | |
| | <u>16,51,94,359</u> | <u>13,97,72,801</u> |
| (Increase) / Decrease in Inventories | <u>3,14,610</u> | <u>(2,54,21,558)</u> |

| | As at March 31, 2017 | As at March 31, 2016 |
|---|----------------------|----------------------|
| | ₹ | ₹ |
| Note No: 25 Employee Benefit Expenses: | | |
| (Including Managing Director's Remuneration - Note No. 33) | | |
| Salaries & Wages | 4,45,13,065 | 3,65,57,323 |
| Contribution to Provident and other funds | 25,73,077 | 20,16,977 |
| Gratuities | 9,63,721 | 5,91,479 |
| Staff Welfare Expenses | 10,59,857 | 9,86,573 |
| | <u>4,91,09,720</u> | <u>4,01,52,352</u> |
| Note No: 26 Finance Cost: | | |
| Interest Expenses | 82,06,306 | 3,51,45,902 |
| Other Borrowing Cost | 10,83,832 | 34,00,988 |
| | <u>92,90,138</u> | <u>3,85,46,890</u> |
| Note No: 27 Other Expenses: | | |
| Stores Consumed | 13,950 | 6,669 |
| Power & Fuel | 15,43,181 | 21,18,983 |
| Rent | 1,10,72,292 | 1,09,72,269 |
| Water Charges | 2,63,998 | 4,25,817 |
| Repairs to: | | |
| Machinery | 4,35,528 | 14,22,259 |
| Buildings | 42,801 | 10,57,479 |
| Others | 2,58,711 | 3,49,122 |
| | <u>7,37,040</u> | <u>28,28,860</u> |
| Insurance | 14,91,907 | 17,60,073 |
| Rates and Taxes, excluding taxes on income | 73,60,685 | 71,35,667 |
| Real Estate Business Expenses | 2,58,78,967 | 1,23,84,000 |
| Travelling & Conveyance | 45,23,691 | 55,27,479 |
| Legal and Professional Charges | 1,47,13,155 | 2,44,43,088 |
| Corporate Social Responsibility Expenses - Note No. 32 | 6,04,500 | 3,76,250 |
| Directors Sitting Fees | 30,78,400 | 26,35,792 |
| Loss on Sale of Current Investments (Net) | - | 36,526 |
| Loss on Sale of Fixed Assets (Net) | 11,87,818 | - |
| Provision for Doubtful Debts | 17,94,705 | - |
| Payment to Auditors: | | |
| - Audit Fees | 5,63,500 | 6,64,624 |
| - Tax Audit Fees | 57,500 | 57,500 |
| - Other Services | 3,54,776 | 6,45,383 |
| - Reimbursement of expenses | 21,004 | 16,359 |
| | <u>9,96,780</u> | <u>13,83,866</u> |
| Security Charges | 56,84,519 | 59,57,908 |
| Miscellaneous Expenses | 1,22,96,663 | 1,22,88,827 |
| | <u>9,32,42,251</u> | <u>9,02,82,074</u> |

Note No: 28 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.

Note No: 29 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 ₹ 5,36,46,191/- as at March 31, 2017 (Previous Year ₹ 5,58,03,024/-). During the current year MIPDL has made Profit after tax of ₹ 21,56,833/- (Previous Year ₹ 35,51,380/-). In view of the Long Term and strategic nature of investment, plans for new business initiatives particularly development of Bikaner property 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: 30 Dividend consists of dividend on (i) Current Investments ₹ Nil (Previous Year ₹ 4,12,364/-) and (ii) Non Current Investments ₹ 3,96,962/- (Previous Year ₹ 24,86,897/-)

Note No: 31 Out of the sum of ₹ 13,79,04,644, 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. Date of hearing before Ministry of Corporate Affairs (MCA) to pass Order under Section 396 of the Companies Act, 1956 is adjourned to the month of June - 2017. 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. Other agencies including Economic Offence Wing and Enforcement Directorate are also in process of liquidating assets of defaulters. 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 ₹ 6,04,500/- (Previous year ₹ 3,76,250/-) as a part of Corporate Social Responsibility to Vijay Jatia Foundation for Repairing of School Building, Scholarship and Research. Details of amount pending at the end of the year are as under.

| | 2016-17 | 2015-16 |
|---|------------|-----------------|
| | ₹ | ₹ |
| Amount unspent at the beginning of the year | 5,69,388 | 5,21,450 |
| Amount required to be spent for the year | 26,749 | 4,24,188 |
| Amount spent during the Year | 6,04,500 | 3,76,250 |
| Amount unspent at the end of the year | <u>Nil</u> | <u>5,69,388</u> |

Note No: 33 Managing Director's Remuneration:

Pursuant to Notification dated 12th September, 2016 issued by Ministry of Corporate Affairs which amended Schedule V of the Companies Act, 2013, the Board of Directors of the Company in its meeting held on March 23, 2017 approved increase in remuneration of Chairman & Managing Director of the Company Shri Vijay Kumar Jatia in case of no profit or inadequate profit from ₹ 84.00 Lakhs to ₹ 168.00 Lakhs per annum with effect from October 01, 2016. Shareholders of the Company in their meeting held on August 08, 2015 had already passed a Special Resolution and approved his re-appointment for a period of 3 years ending on July 31, 2018 at a remuneration of ₹ 180.00 Lakhs per annum.

Note No: 34 Defined Benefit Plan :

As per Actuarial Valuation as on March 31, 2017 and recognized in the Financial Statements in respect of Employee Benefit Schemes:

| | 31 st March,2017 (₹) | | 31 st March,2016 (₹) | |
|---|------------------------------------|-----------------------------------|------------------------------------|-----------------------------------|
| | Gratuity Non-Funded | Leave Encashment Non-Funded | Gratuity Non-Funded | Leave Encashment Non-Funded |
| I. Components of Employer Expenses | | | | |
| (a) Current Service Cost | 2,54,055 | 3,40,763 | 2,83,292 | 3,74,486 |
| (b) Interest Cost | 2,33,049 | 2,19,336 | 1,94,645 | 1,12,124 |
| (c) Employee Contributions | - | - | - | - |
| (d) Expected Return on Plan Assets | - | - | - | - |
| (e) Past Service Cost / (Adjustments) | - | - | - | - |
| (f) Actuarial (Gain) / Loss | 4,76,617 | 18,00,335 | 1,13,478 | 9,32,342 |
| (g) Total Expense recognized in the Profit & Loss Account | 9,63,721 | 23,60,434 | 5,91,415 | 14,18,952 |
| II. Net Liability recognized in the Balance Sheet | | | | |
| (a) Present Value of Defined Benefit Obligation as at the beginning of the year | 29,16,759 | 27,45,137 | 24,33,064 | 14,01,549 |
| (b) Fair Value of Plan Assets as at the close of the year | - | - | - | - |
| (c) Net Liability as at the close of the year | 38,51,132 | 20,00,694 | 29,16,759 | 27,45,137 |
| III. Change in Defined Benefit Obligation (DBO) during the Year ended | | | | |
| (a) Present Value of Defined Benefit Obligation at the beginning of the year | 29,16,759 | 27,45,137 | 24,33,064 | 14,01,549 |
| (b) Current Service Cost | 2,54,055 | 3,40,763 | 2,83,292 | 3,74,486 |
| (c) Interest Cost | 2,33,049 | 2,19,336 | 1,94,645 | 1,12,124 |
| (d) Curtailment Cost / (Credit) | - | - | - | - |
| (e) Actuarial (Gain) / Loss | 4,76,617 | 18,00,335 | 1,13,478 | 9,32,342 |
| (f) Benefits Paid | (29,348) | (31,04,877) | (1,07,720) | (75,364) |
| (g) Present Value of Defined Benefit Obligation at the year end | 38,51,132 | 20,00,694 | 29,16,759 | 27,45,137 |
| 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 | 29,348 | 31,04,877 | 1,07,720 | 75,364 |
| (f) Benefits Paid | (29,348) | (31,04,877) | (1,07,720) | (75,364) |
| (g) Fair Value of Plan Assets as at the close of the year | - | - | - | - |
| V. Actuarial Assumptions: | | | | |
| (a) Discount Rate(per annum) | 7.27% | 7.27% | 7.99% | 7.99% |
| (b) Expected Rate of Return on Assets (per annum) | N.A. | N.A. | 8% | 8% |
| (c) Rate of Increase in Compensation Levels (per annum) | 6% | 6% | 6% | 6% |
| (d) Mortality Table (LIC) | 2006-08 (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: 35 Particulars of Specified Bank Notes (SPN's) held and transacted during the period 08/11/2016 to 30.12.2016

| | Specified Bank Notes | Other Denomination Notes | Total |
|---------------------------------------|-------------------------|-----------------------------|---------|
| Closing Cash on Hand as on 08.11.2016 | 627000 | 155767 | 782767 |
| Add: Permitted Receipts | 1112800 | | 1112800 |
| Less: Permitted Payments | 27000 | 510621 | 537621 |
| Less: Amount Deposited in Bank | 600000 | - | 600000 |
| Closing Cash on Hand as on 30.12.2016 | - | 757946 | 757946 |

Note No:36 Segment Information for the Year ended 31st March, 2017

Primary Segment reporting - Business Segments

| Particulars | | | | | Amount (₹) |
|--|---------------------|--------------------|---------------------|----------------------------|---------------------|
| | Renewable Energy | Real Estate | Trading | Unallocated / Corporate | Total |
| A) Segment Revenue: | | | | | |
| External Sales / Income from Operations | 3,16,68,001 | 4,78,10,000 | 48,76,14,702 | 23,36,728 | 56,94,29,431 |
| | 2,22,20,948 | 2,83,516 | 78,03,17,295 | 25,14,875 | 80,53,36,634 |
| Other Income | 1,04,951 | - | - | 2,35,03,203 | 2,36,08,154 |
| | - | - | - | 14,79,08,373 | 14,79,08,373 |
| Total | 3,17,72,952 | 4,78,10,000 | 48,76,14,702 | 2,58,39,931 | 59,30,37,585 |
| | 2,22,20,948 | 2,83,516 | 78,03,17,295 | 15,04,23,248 | 95,32,45,007 |
| B) Segment Results: | | | | | |
| Profit/(Loss) before Depreciation, Taxes & exceptional items | 1,21,24,915 | 2,92,69,026 | (17,64,973) | (7,82,98,739) | (3,86,69,771) |
| | 19,51,616 | 2,83,516 | (9,27,221) | 3,99,66,837 | 4,12,74,748 |
| Depreciation | 2,33,73,716 | 4,41,442 | - | 80,32,277 | 3,18,47,435 |
| | 2,80,22,527 | 22,557 | - | 1,15,84,512 | 3,96,29,596 |
| Profit / (Loss) before Taxes and Exceptional items | (1,12,48,801) | 2,88,27,584 | (17,64,973) | (86331016) | (7,05,17,206) |
| | (2,60,70,911) | 2,60,959 | (9,27,221) | 2,83,82,325 | 16,45,152 |
| C) Other Information: | | | | | |
| Segment Assets | 17,21,34,878 | 22,02,01,167 | 17,44,16,544 | 80,99,62,869 | 1,37,67,15,458 |
| | 21,09,03,018 | 18,73,54,616 | 29,07,69,297 | 81,49,43,268 | 1,50,39,70,199 |
| Segment Liabilities | 17,64,038 | 85,00,00,000 | 1,44,64,843 | 9,50,08,360 | 96,12,37,241 |
| | 12,77,569 | 76,00,00,000 | 13,85,85,324 | 14,51,04,385 | 1,04,49,67,278 |
| Capital Expenditure | 23,40,659 | - | - | 90,067 | 24,30,726 |
| | 20,99,00,751 | - | - | 1,79,15,266 | 22,78,16,017 |
| Depreciation | 2,33,73,716 | 4,41,442 | - | 80,32,277 | 3,18,47,435 |
| | 2,80,22,527 | 22,557 | - | 1,15,84,512 | 3,96,29,596 |
| 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 and
 - c) 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 | 56,94,29,431 | - | 56,94,29,431 | 80,53,36,634 | - | 80,53,36,634 |
| Capital Expenditure | 24,30,726 | - | 24,30,726 | 22,78,16,017 | - | 22,78,16,017 |
| Carrying Amount of Segment Assets | 1,37,67,15,458 | - | 1,37,67,15,458 | 1,50,39,70,199 | - | 1,50,39,70,199 |

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 | 13,950 | 100% | 6,669 | 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 | - | 4,75,00,000 | - |
| | ₹ | 1,85,40,974 | - | - | 1,85,40,974 |
| Total Current Year | ₹ | 1,85,40,974 | - | 4,75,00,000 | - |
| 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. | - | 13,64,217 | 13,64,217 | - |
| | Mtrs. | - | 28,76,463 | 28,76,463 | - |
| | ₹ | - | 37,89,98,311 | 38,46,74,352 | - |
| | ₹ | - | 65,43,98,494 | 66,42,12,649 | - |
| (b) Steel | Mt. | - | - | - | - |
| | Mt. | - | 2,504 | 2,504 | - |
| | ₹ | - | - | - | - |
| | ₹ | - | 10,24,91,636 | 10,27,42,013 | - |
| (c) Fibre | Kgs | - | 11,07,648 | 11,07,648 | - |
| | Kgs | - | 1,03,878 | 1,03,878 | - |
| | ₹ | - | 9,72,93,806 | 9,96,80,145 | - |
| | ₹ | - | 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 | 16,91,901 | 11,82,986 |
| (ii) Capital Goods | - | 2,00,499 |

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

| | | |
|---------------------------|--------|--------|
| F. O. B. Value of Exports | 61,952 | 55,641 |
|---------------------------|--------|--------|

Note No: 42 Expenditure in Foreign Currency by the Company during the Financial Year in respect of :-

| | | |
|---------------|-----------|-----------|
| Other Matters | 12,79,355 | 15,08,144 |
|---------------|-----------|-----------|

Note No: 43 Earning Per Share:

Earning Per Share has been calculated as under:

| | | |
|--|---------------|-------------|
| (a) Profit / (Loss) After Taxation and Exceptional Items | (4,35,24,704) | 13,73,515 |
| (b) Number of Equity Shares Outstanding (Face Value ₹ 2/-) | 3,75,42,750 | 3,75,42,750 |
| (c) Earning per Share (Face Value of ₹ 2/- per share) - (a) / (b) (Basic and diluted) | (1.16) | 0.04 |

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) Ignatius 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, 2017 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 | - | - | - | - | - |
| | <i>5,58,500</i> | - | - | - | <i>5,58,500</i> |
| (b) Repayment out of Deposit given | - | - | - | - | - |
| | <i>1,41,35,000</i> | - | - | - | <i>1,41,35,000</i> |
| (c) Amount of Deposit given outstanding at the year end | - | - | - | - | - |
| 2. Interest on Inter Corporate Deposit given | - | - | - | - | - |
| | <i>3,97,277</i> | - | - | - | <i>3,97,277</i> |
| 3. Purchase / (Sale) of Shares | - | - | - | - | - |
| 4. Amount of Investments outstanding at the year end | <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> |
| | <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 | - | - | - | - | - |
| | - | <i>19,00,000</i> | - | <i>19,00,000</i> | - |
| 6. Service Charges Received | - | - | - | <i>36,00,000</i> | <i>36,00,000</i> |
| 7. Guarantees Given | - | - | <i>36,30,96,160</i> | - | <i>36,30,96,160</i> |
| | - | - | <i>37,14,64,240</i> | - | <i>37,14,64,240</i> |
| | Significant Influence | | | | |
| | Shree Rani Sati Investment & Finance Ltd. | Sarat Leasing & Finance Pvt. Ltd. | Buildmat Infra India Pvt. Ltd. | Key Management Personnel | Relatives of Key Management Personnel |
| 1. (a) Inter Corporate Loans Taken | <i>2,40,00,000</i> | <i>1,00,00,000</i> | - | - | <i>3,40,00,000</i> |
| (b) Repayment out of Loans Taken | <i>2,40,00,000</i> | - | - | - | <i>2,40,00,000</i> |
| (c) Amount of Loans taken outstanding at the year end | - | <i>1,00,00,000</i> | - | - | <i>1,00,00,000</i> |
| 2. Interest on Inter Corporate Loans taken | <i>10,81,727</i> | <i>5,72,055</i> | - | - | <i>16,53,782</i> |
| 1. Sale of Fixed Assets | - | - | - | - | - |
| | - | - | <i>33,656</i> | - | <i>33,656</i> |
| 2. Managerial Remuneration | - | - | - | <i>1,24,07,989</i> | <i>1,24,07,989</i> |
| | - | - | - | <i>83,50,025</i> | <i>83,50,025</i> |
| 3. Directors Sitting Fees | - | - | - | - | <i>2,40,000</i> |
| | - | - | - | - | <i>2,40,000</i> |
| 4. Salaries | - | - | - | - | <i>1,50,37,828</i> |
| | - | - | - | - | <i>92,89,200</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 19th May, 2017

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 19th May, 2017

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, 2017, 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, trade receivables as on March 31, 2017 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 mean while 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, 2017, and their consolidated loss 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 ₹ 52,43,06,130 as at March 31 2017; total revenues of ₹ 1,85,29,39,630 and net cash outflows aggregating to ₹ 3,12,093 for the year then ended. These financial statements have been audited by other auditors whose audit reports 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, 2017 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, 2017 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 no. 30 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.
 - iv. These consolidated financial statements have made requisite disclosures as to holdings as well as dealings in specified bank notes during the period from 8 November 2016 to 30 December 2016 by the Group. Based on the audit procedures performed and taking into consideration the information and explanations given to us and on the consideration of the reports of the other auditors on separate financial statements, in our opinion, these are in accordance with the books of accounts maintained by the respective companies. Refer note no. 33 to the consolidated financial statements.

For K. S. Aiyar & Co.

Chartered Accountants

ICAI Firm Registration No. 100186W

Sd/-

Satish Kelkar

Partner

Membership No: 38934

Place: Mumbai

Date: May 19, 2017

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 2017, 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 2017, 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

We did not audit the IFCoFR insofar as it relates to three subsidiary companies, which are companies incorporated in India, whose financial statements reflect total assets of ₹ 25,81,03,536 as at March 31 2017; total revenues of ₹ 22,22,71,727 and net cash inflows aggregating to ₹ 1,15,82,481 for the year then ended; Our report on the adequacy and operating effectiveness of the IFCoFR for the Holding Company and its subsidiary companies, which are companies incorporated in India, under Section 143(3)(i) of the Act insofar as it relates to the aforesaid subsidiaries, is solely based on the corresponding reports of the auditors of such companies. Our opinion is not modified in respect of the above matter with respect to our reliance on the work done by and the reports of the other auditors.

For K. S. Aiyar & Co.

Chartered Accountants

ICAI Firm Registration No. 100186W

Sd/-

Satish Kelkar

Partner

Membership No: 38934

Place: Mumbai

Date: May 19, 2017

(CONSOLIDATED)



BALANCE SHEET AS AT 31st MARCH, 2017

| | Note No. | As at March 31, 2017 | (Amount in ₹) As at March 31, 2016 |
|--|----------|------------------------------|--|
| I. EQUITY AND LIABILITIES | | | |
| (1) Shareholders' Funds: | | | |
| (a) Share Capital | 2 | 7,50,85,930 | 7,50,85,930 |
| (b) Reserves and Surplus | 3 | <u>36,44,26,217</u> | <u>39,09,86,177</u> |
| | | 43,95,12,147 | 46,60,72,107 |
| (2) Minority Interest | | | |
| | | <u>2,34,49,253</u> | <u>2,07,46,195</u> |
| (3) Non-current Liabilities: | | | |
| (a) Long-term Borrowings | 4 | - | 9,00,00,000 |
| (b) Other Long Term Liabilities | 5 | 85,00,00,000 | 76,00,00,000 |
| (c) Long-term Provisions | 6 | <u>58,03,712</u> | <u>45,54,011</u> |
| | | 85,58,03,712 | 85,45,54,011 |
| (4) Current Liabilities: | | | |
| (a) Short-term Borrowings | 7 | 8,48,53,761 | 2,89,83,415 |
| (b) Trade Payables | | 14,60,16,962 | 29,37,83,216 |
| (c) Other Current Liabilities | 8 | 1,38,64,334 | 4,17,10,373 |
| (d) Short-term Provisions | 9 | <u>88,85,724</u> | <u>2,36,78,548</u> |
| | | 25,36,20,781 | 38,81,55,552 |
| TOTAL | | <u>1,57,23,85,893</u> | <u>1,72,95,27,865</u> |
| II. ASSETS: | | | |
| (1) Non-current Assets | | | |
| (a) Fixed Assets | 10 | | |
| (i) Tangible Assets | | 23,97,53,224 | 27,13,00,188 |
| (ii) Intangible Assets | | 14,08,497 | 22,44,711 |
| (iii) Capital work-in-progress | | 3,48,88,824 | 3,64,11,217 |
| (vi) Intangible Assets Under Development | | <u>16,68,750</u> | <u>14,18,750</u> |
| | | 27,77,19,295 | 31,13,74,866 |
| (b) Goodwill on Consolidation | | 23,62,10,667 | 23,62,10,667 |
| (c) Non-current Investments | 11 | 12,56,74,012 | 13,21,71,373 |
| (d) Deferred Tax Assets (Net) | 12 | 4,28,66,545 | 1,44,68,355 |
| (e) Long-term Loans and Advances | 13 | 6,82,47,407 | 6,45,52,696 |
| (f) Other Non Current Assets | 14 | 1,33,87,368 | 1,33,87,367 |
| (2) Current Assets: | | | |
| (a) Inventories | 15 | 16,48,79,749 | 16,51,94,360 |
| (b) Trade Receivables | 16 | 37,47,77,683 | 48,07,32,217 |
| (c) Cash and Bank Balances | 17 | 14,30,14,569 | 14,66,71,406 |
| (d) Short-term Loans and Advances | 18 | 11,19,41,449 | 11,62,28,262 |
| (e) Other Current Assets | 19 | <u>1,36,67,149</u> | <u>4,85,36,296</u> |
| | | 80,82,80,599 | 95,73,62,541 |
| TOTAL | | <u>1,57,23,85,893</u> | <u>1,72,95,27,865</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 19th May, 2017

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 19th May, 2017

(CONSOLIDATED)



Statement of Profit and Loss for the Year ended 31st March, 2017

| | | (Amount in ₹) | |
|---|----------|-----------------------|-----------------------|
| | Note No. | 2016-2017 | 2015-2016 |
| I. Revenue from Operations | 22 | 2,41,18,16,202 | 1,69,89,90,726 |
| II. Other Income | 23 | 3,05,61,013 | 15,97,31,084 |
| III. Total (I + II) | | <u>2,44,23,77,215</u> | <u>1,85,87,21,810</u> |
| IV. Expenses: | | | |
| (a) Purchase of Traded Goods | | 1,82,24,93,398 | 1,44,60,56,395 |
| (b) Expenses on Back Ground Check Services | | 6,61,69,996 | 5,25,05,147 |
| (c) Changes in inventories of Stock -in-trade | 24 | 3,14,610 | (2,54,21,558) |
| (d) Employee benefits expenses | 25 | 15,61,85,856 | 13,02,58,344 |
| (e) Finance Cost | 26 | 2,01,14,311 | 4,79,92,972 |
| (f) Depreciation and Amortization expenses | 10 | 3,91,54,513 | 4,61,48,428 |
| (g) Other expenses | 27 | 38,34,25,152 | 12,97,00,495 |
| Total | | <u>2,48,78,57,836</u> | <u>1,82,72,40,223</u> |
| V. Profit / (Loss) before exceptional and extraordinary items and tax | | (4,54,80,621) | 3,14,81,587 |
| VI. Exceptional item - Net | | - | - |
| VII. Profit / (Loss) before extraordinary items and tax | | (4,54,80,621) | 3,14,81,587 |
| VIII. Extraordinary Items | | - | - |
| IX. Profit / (Loss) before Prior period Expenses and Tax | | (4,54,80,621) | 3,14,81,587 |
| X. Prior Period Expenses - Interest | | - | - |
| XI. Profit / (Loss) before Tax | | (4,54,80,621) | 3,14,81,587 |
| XII. Tax expense: | | | |
| (1) Current Tax | | 36,57,354 | 84,13,156 |
| (2) Deferred Tax | | (2,83,98,190) | 2,71,637 |
| (3) Tax Adjustments of prior years (Net) | | (23,736) | - |
| XIII. Profit / (Loss) after Tax | | (2,07,16,049) | 2,27,96,794 |
| XIV. Less: Minority Interest | | 27,43,063 | 27,70,503 |
| XV. Profit / (Loss) for the period after Tax | | <u>(2,34,59,112)</u> | <u>2,00,26,291</u> |
| XVI. Earnings per Equity Share | 35 | | |
| (1) Basic | | (0.62) | 0.53 |
| (2) Diluted | | (0.62) | 0.53 |
| 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 19th May, 2017

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 19th May, 2017

(CONSOLIDATED)



CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH, 2017.

| | (Amount in ₹) | |
|---|-----------------------|-----------------------|
| | 2016-2017 | 2015-2016 |
| A. Cash Flow From Operating Activities: | | |
| Net Profit / (Loss) | <u>(2,07,16,049)</u> | <u>2,27,96,794</u> |
| Add / (Less) : | | |
| Depreciation | 3,91,54,513 | 4,61,48,428 |
| Dividend Income | (6,53,754) | (11,07,280) |
| Profit on sale of Investment | (30,69,675) | (1,12,56,622) |
| Interest Income | (94,56,756) | (2,05,82,582) |
| Loss/(Profit) on sale of Fixed Assets | 11,87,818 | (12,40,75,797) |
| Interest Expenses | 2,01,14,311 | 4,79,92,972 |
| Provision Written Back | <u>(1,15,00,000)</u> | - |
| Operating Profit/(Loss) before working Capital Changes | <u>1,50,60,408</u> | <u>(4,00,84,087)</u> |
| Increase/(Decrease) in Inventories | 3,14,611 | (2,54,21,559) |
| Increase/(Decrease) in Trade Receivables | 10,59,54,534 | (20,66,72,628) |
| Increase/(Decrease) in Trade payable | <u>(14,77,66,254)</u> | 24,94,93,231 |
| Increase/(Decrease) in long term loans and advances | (8,21,709) | 64,84,837 |
| Increase/(Decrease) in Other current assets | 3,17,28,294 | (1,33,18,424) |
| Increase/(Decrease) in Short term loans and advances | 1,32,96,981 | (2,39,25,620) |
| Increase/(Decrease) in Short term provisions | (12,37,148) | 22,22,469 |
| Increase/(Decrease) in Long term provisions | 12,49,701 | 20,18,921 |
| Increase/(Decrease) in Other Current Liabilities | <u>(2,51,47,701)</u> | <u>(5,74,08,678)</u> |
| Cash Generated from Operations | <u>(73,68,283)</u> | <u>(10,66,11,538)</u> |
| Direct Taxes Paid (Net) | <u>(3,12,71,193)</u> | 11,75,346 |
| Net Cash Used in Operating Activities | <u>(3,86,39,476)</u> | <u>(10,54,36,192)</u> |
| B. Cash Flow from Investing Activities: | | |
| Purchase of Fixed Assets | (66,86,760) | 13,24,61,888 |
| Purchase of Investments | (34,21,724) | (4,07,23,168) |
| Loans Given | 24,89,832 | 8,64,08,864 |
| Dividend Income | 6,53,754 | 11,07,280 |
| Interest Received | <u>94,56,756</u> | <u>24,91,858</u> |
| Net Cash Used in Investing Activities | <u>24,91,858</u> | <u>19,98,37,446</u> |
| C. Cash Flow from Financing Activities: | | |
| Repayment of Long Term Borrowings | (24,79,468) | 30,26,67,249 |
| Proceeds from Short Term Borrowings | 5,58,70,346 | (29,62,72,183) |
| Interest Paid | (2,01,14,311) | (4,79,92,972) |
| Dividend Paid | <u>(1,35,55,676)</u> | <u>(35,22,271)</u> |
| Net Cash from Financing Activities | <u>1,97,20,891</u> | <u>(4,51,20,177)</u> |
| Net Increase/(Decrease) in Cash and Cash Equivalents (A+B+C) | <u>(1,64,26,727)</u> | <u>4,92,81,077</u> |
| Opening Balance of Cash and Cash Equivalents | 13,36,63,641 | 8,43,82,564 |
| Closing Balance of Cash and Cash Equivalents | <u>11,72,36,914</u> | <u>13,36,63,641</u> |
| Net Increase/(Decrease) as disclosed above | <u>(1,64,26,727)</u> | 4,92,81,077 |

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

Satish Kelkar
Partner
M. No. 38934

Mumbai, dated 19th May, 2017

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 19th May, 2017

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 (GAAP) 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 31.03.2017 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, 2017 | 100% | India |
| b) Modern International (Asia) Limited Wholly Owned Subsidiary | 31 st March, 2017 | 100% | Hong Kong |
| c) Modern India Free Trade Warehousing Privat Limited Partly Owned Subsidiary | 31 st March, 2017 | 51% | India |
| d) Verifacts Services Private Limited Partly Owned Subsidiary | 31 st March, 2017 | 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) 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. The losses applicable to the minority in excess of the minority interest in the equity of the subsidiary are adjusted against the majority interest except to the extent that the minority has a binding obligation to and is able to make good the losses. If the subsidiaries subsequently reports profit, all such profits are allocated to the majority interest until the minority's share of losses previously absorbed by the majority has been recovered.
- (v) Financial statements of Foreign Subsidiary which is considered as non - integral entity 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) 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. All income arising from Background Check Services is accounted on accrual basis.
- (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.

- (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 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 after tax 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, 2017 | | As at March 31, 2016 | |
|---|----------------------|---------------------|----------------------|---------------------|
| | 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. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts in proportion to their shareholding.

(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 | | |
| As per last Balance Sheet | 8,91,050 | 8,91,050 |
| (iii) Other Reserve - General Reserve | | |
| As per last Balance Sheet | 3,28,96,489 | 3,17,59,000 |
| Add: Transfer from Statement of Profit and Loss | - | 11,37,489 |
| Closing Balance | <u>3,28,96,489</u> | <u>3,28,96,489</u> |
| (iv) Foreign Currency Translation Reserve | | |
| As per Last Balance Sheet | 3,60,62,377 | 2,98,94,118 |
| Add / (Less): Amounts arising during the Year | (31,40,853) | 61,68,259 |
| | <u>3,29,21,524</u> | <u>3,60,62,377</u> |

| | As at March 31, 2017 | As at March 31, 2016 |
|---|----------------------------|----------------------------|
| | ₹ | ₹ |
| (v) Surplus: | | |
| As per last Balance Sheet | 29,90,39,424 | 29,42,15,238 |
| Add: Profit / (Loss) for the Current Year | <u>(2,34,59,112)</u> | <u>2,00,26,292</u> |
| | 27,55,80,312 | 31,42,41,530 |
| Less: Proposed Dividend on Equity Shares | - | 1,12,62,825 |
| Less: Tax on Distributed Profits | - | 28,01,792 |
| Less: Transfer to General Reserve | - | <u>11,37,489</u> |
| Closing Balance | 27,55,80,312 | 29,90,39,424 |
| Less: Loss Attributable to Minority Interest (*) | <u>(10,06,823)</u> | <u>(10,46,829)</u> |
| Total of Reserves and Surplus | <u>36,44,26,217</u> | <u>39,09,86,177</u> |

(*) Net of current year Surplus of ₹ 40,006/- (Previous Year ₹. 40,528/-)

The Board of Directors of the Company have recommended the payment of a dividend of 15% i.e. ₹ 0.30 per fully paid Equity Share of ₹ 2/- each (Previous year 15% i.e. ₹ 0.30 per Equity Share). This Proposed Dividend is subject to the approval of shareholders in the ensuing annual general meeting. Pursuant to amendment in Accounting Standard (AS) - 4, "Contingencies and Events Occurring After the Balance Sheet Date", declaration of dividends to shareholders after the balance sheet date is not required to be recognized as a liability as at the balance sheet date.

Note No: 4 Long Term Borrowings

Secured:

| | | |
|--------------------------------------|----------|---------------------------|
| Term Loan from Financial Institution | - | 9,00,00,000 |
| Total of Long Term Borrowings | - | <u>9,00,00,000</u> |

Note No: 5 Other Long Term Liabilities

Unsecured:

| | | |
|-------------------|---------------------|---------------------|
| Security Deposits | (*) 85,00,00,000 | 76,00,00,000 |
| | <u>85,00,00,000</u> | <u>76,00,00,000</u> |

(*) Repayment of Deposits of ₹ 85,00,00,000/- is dependent on development of some of the properties in Mumbai. The deposits do not carry any interest.

Note No: 6 Long Term Provisions

Provision for Employee Benefits:

| | | |
|-----------------------------|------------------|------------------|
| Gratuity (Unfunded) | 49,09,125 | 33,83,896 |
| Leave Encashment (Unfunded) | 8,94,587 | 11,70,115 |
| | <u>58,03,712</u> | <u>45,54,011</u> |

(CONSOLIDATED)



| | As at March 31, 2017 | As at March 31, 2016 |
|---|----------------------|----------------------|
| | ₹ | ₹ |
| Note No: 7 Short Term Borrowings | | |
| Secured: | | |
| (a) Loan Repayable on Demand | | |
| From Bank # | 7,48,53,761 | 2,89,83,415 |
| (b) From Related Party | 1,00,00,000 | - |
| Total Short Term Borrowings | 8,48,53,761 | 2,89,83,415 |

Secured by hypothecation of Investments in Units of Mutual Funds. The rate of Interest is in the range of 9.30% to 10.25% per annum.

Note No: 8 Other Current Liabilities

Secured:

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

Unsecured:

| | | |
|-------------------------------------|--------------------|--------------------|
| (a) Deposits | 4,97,000 | 5,27,000 |
| (b) Income Received in Advance | 4,27,056 | 2,45,815 |
| (c) Unpaid Dividends # | 20,85,876 | 23,04,746 |
| (d) Other payables - Statutory Dues | 18,31,550 | 6,98,406 |
| (e) Other Liabilities | 90,22,852 | 3,54,54,938 |
| | 1,38,64,334 | 4,17,10,373 |

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

Note No: 9 Short Term Provisions

| | | | |
|-------------------------------------|------------------|------------------|--------------------|
| (a) Provision for Employee Benefits | | | |
| Gratuity (Unfunded) | 16,79,148 | 10,93,464 | |
| Leave Encashment (Unfunded) | 11,06,107 | 15,75,022 | |
| Others | 61,00,469 | 88,85,724 | 74,54,386 |
| (b) Proposed Dividend | - | - | 1,12,62,825 |
| (c) Tax on Distributed Profits | - | - | 22,92,851 |
| | 88,85,724 | 88,85,724 | 2,36,78,548 |

(CONSOLIDATED)



| Note No: 10 FIXED ASSETS | | | | | | | | | | (Amount in ₹) | |
|------------------------------------|-----------------------|---------------------|-------------------------|---------------------|-----------------------------|--------------------|-------------------------------|---------------------|---------------------|---------------------|--|
| DESCRIPTION | GROSS BLOCK - AT COST | | | | DEPRECIATION / AMORTIZATION | | | | NET BLOCK | | |
| | As At 01.04.2016 | Additions | Disposals/ Transfers | As At 31.03.2017 | As At 01.04.2016 | For the Year | On disposals/ Transfers | Upto 31.03.2017 | As At 31.03.2017 | As At 31.03.2016 | |
| | (₹) | (₹) | (₹) | (₹) | (₹) | (₹) | (₹) | (₹) | (₹) | (₹) | |
| A Tangible Assets | | | | | | | | | | | |
| Land | 2,99,31,717 | - | - | 2,99,31,717 | - | - | - | - | 2,99,31,717 | 2,99,31,717 | |
| | <i>2,99,31,717</i> | - | - | <i>2,99,31,717</i> | - | - | - | - | <i>2,99,31,717</i> | <i>2,99,31,717</i> | |
| Buildings | 3,51,29,654 | 21,83,822 | - | 3,73,13,476 | 95,64,848 | 19,76,017 | - | 1,15,40,865 | 2,57,72,611 | 2,55,64,806 | |
| | <i>7,34,57,213</i> | <i>1,76,12,601</i> | <i>5,59,40,160</i> | <i>3,51,29,654</i> | <i>1,34,65,197</i> | <i>41,61,130</i> | <i>80,61,479</i> | <i>95,64,848</i> | <i>2,55,64,806</i> | <i>5,99,92,016</i> | |
| Plant and Equipments @ | 29,16,96,019 | 49,46,649 | 2,07,81,061 | 27,58,61,607 | 9,47,75,426 | 2,99,52,969 | 1,86,88,705 | 10,60,39,690 | 16,98,21,917 | 19,69,20,593 | |
| | <i>9,47,77,087</i> | <i>20,98,11,764</i> | <i>1,28,92,832</i> | <i>29,16,96,019</i> | <i>7,25,69,559</i> | <i>3,36,32,715</i> | <i>1,14,26,848</i> | <i>9,47,75,426</i> | <i>19,69,20,593</i> | <i>2,22,07,528</i> | |
| Furniture and Fixtures | 1,69,32,958 | 13,66,384 | 34,52,429 | 1,48,46,913 | 98,20,975 | 20,40,534 | 33,38,392 | 85,23,117 | 63,23,796 | 71,11,983 | |
| | <i>2,88,82,952</i> | <i>5,05,482</i> | <i>1,24,55,476</i> | <i>1,69,32,958</i> | <i>1,76,24,643</i> | <i>27,73,248</i> | <i>1,05,76,916</i> | <i>98,20,975</i> | <i>71,11,983</i> | <i>1,12,58,309</i> | |
| Vehicles | 2,83,83,579 | - | 7,07,107 | 2,76,76,472 | 1,66,12,490 | 37,27,088 | 5,66,289 | 1,97,73,289 | 79,03,183 | 1,17,71,089 | |
| | <i>2,83,36,239</i> | <i>60,56,432</i> | <i>60,09,092</i> | <i>2,83,83,579</i> | <i>1,79,05,400</i> | <i>38,44,144</i> | <i>51,37,054</i> | <i>1,66,12,490</i> | <i>1,17,71,089</i> | <i>1,04,30,839</i> | |
| TOTAL (A) | 40,20,73,927 | 84,96,855 | 2,49,40,597 | 38,56,30,185 | 13,07,73,739 | 3,76,96,608 | 2,25,93,386 | 14,58,76,961 | 23,97,53,224 | 27,13,00,188 | |
| | <i>25,53,85,208</i> | <i>23,39,86,279</i> | <i>8,72,97,560</i> | <i>40,20,73,927</i> | <i>12,15,64,799</i> | <i>4,44,11,237</i> | <i>3,52,02,297</i> | <i>13,07,73,739</i> | <i>27,13,00,188</i> | <i>13,38,20,409</i> | |
| @ Includes Office Equipments | | | | | | | | | | | |
| B Intangible Assets: | | | | | | | | | | | |
| Brands / Trade Marks | 11,31,867 | - | - | 11,31,867 | 8,21,708 | 1,16,667 | - | 9,38,375 | 1,93,492 | 3,10,159 | |
| | <i>7,81,867</i> | <i>3,50,000</i> | - | <i>11,31,867</i> | <i>7,81,867</i> | <i>39,841</i> | - | <i>8,21,708</i> | <i>3,10,159</i> | - | |
| Computer Software | 70,34,312 | 6,21,690 | - | 76,56,002 | 50,99,760 | 13,41,237 | - | 64,40,997 | 12,15,005 | 19,34,552 | |
| | <i>47,84,245</i> | <i>22,50,067</i> | - | <i>70,34,312</i> | <i>34,02,410</i> | <i>16,97,350</i> | - | <i>50,99,760</i> | <i>19,34,552</i> | <i>13,81,835</i> | |
| TOTAL (B) | 81,66,179 | 6,21,690 | - | 87,87,869 | 59,21,468 | 14,57,904 | - | 73,79,372 | 14,08,497 | 22,44,711 | |
| | <i>55,66,112</i> | <i>26,00,067</i> | - | <i>81,66,179</i> | <i>41,84,277</i> | <i>17,37,191</i> | - | <i>59,21,468</i> | <i>22,44,711</i> | <i>13,81,835</i> | |
| TOTAL (A + B) | 41,02,40,106 | 91,18,545 | 2,49,40,597 | 39,44,18,054 | 13,66,95,207 | 3,91,54,512 | 2,25,93,386 | 15,32,56,333 | 24,11,61,721 | 27,35,44,899 | |
| <i>Previous Year</i> | <i>26,09,51,320</i> | <i>23,65,86,346</i> | <i>8,72,97,560</i> | <i>41,02,40,106</i> | <i>12,57,49,076</i> | <i>4,61,48,428</i> | <i>3,52,02,297</i> | <i>13,66,95,207</i> | <i>27,35,44,899</i> | <i>13,52,02,244</i> | |
| Capital Work In progress | | | | | | | | | 3,48,88,824 | 3,64,11,217 | |
| Intangible Asset Under Development | | | | | | | | | 16,68,750 | 14,18,750 | |

Figures for the previous year are given in italics

(CONSOLIDATED)



| | As at March 31, 2017 | | | As at March 31, 2016 | |
|--|----------------------|---------------|------------------|----------------------|------------------|
| Note No: 11 Non - Current Investments | Face Value (₹) | No. of Shares | ₹ | No. of Shares | ₹ |
| A. Other Investments: At Cost | | | | | |
| (i) In Fully paid up Equity Shares - Unquoted | | | | | |
| The Shamrao Vithal Co-op Bank Ltd. | 25 | 20,000 | 5,00,000 | 20,000 | 5,00,000 |
| | | | <u>5,00,000</u> | | <u>5,00,000</u> |
| | Face Value (₹) | No. of Bonds | ₹ | No. of Bonds | ₹ |
| (ii) In Fully paid up Tax Free Bond - Quoted | | | | | |
| HUDCO - 7.39% - 15 YEARS | 1,000 | 1506 | 15,06,000 | 1506 | 15,06,000 |
| IRFC - 7.35% - 15 YEARS | 1,000 | 588 | 5,88,000 | 588 | 5,88,000 |
| NABARD - 7.35% - 15 YEARS | 1,000 | 501 | 5,01,000 | 501 | 5,01,000 |
| NHAI - 7.29% - 15 YEARS | 1,000 | 771 | 7,71,000 | 771 | 7,71,000 |
| | | | <u>33,66,000</u> | | <u>33,66,000</u> |
| | Face Value (₹) | No. of Shares | ₹ | No. of Shares | ₹ |
| (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 | 8,046 | 79,50,367 | 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 | 223 | 3,23,543 | 309 | 4,48,318 |
| Amara Raja Batteries Ltd | 1 | 623 | 5,45,050 | 510 | 4,45,764 |
| Asian Paints Ltd | 1 | 512 | 3,99,517 | 636 | 4,96,276 |
| Astral Poly Technik Ltd | 1 | 988 | 3,81,367 | 1,052 | 4,06,071 |
| Bajaj Finance Ltd | 2 | 646 | 2,78,345 | 94 | 4,05,022 |
| Bharat Forge Ltd | 2 | - | - | 534 | 5,95,926 |
| Britannia Industries Ltd | 2 | 191 | 6,02,553 | 139 | 4,54,290 |
| Bajaj Finserve Ltd | 5 | 214 | 4,26,406 | 125 | 2,48,571 |
| Cholamandalam Invt & Fin Co Ltd | 10 | 489 | 4,84,886 | - | - |
| Dabur India Ltd | 1 | - | - | 1,642 | 4,61,002 |

| | | As at March 31, 2017 | | As at March 31, 2016 | |
|---|----|----------------------|---------------------|----------------------|---------------------|
| Eicher Motors Ltd | 10 | 24 | 4,16,158 | 28 | 4,85,517 |
| Hevells India Ltd | 1 | 1,279 | 3,51,475 | 1,584 | 4,35,292 |
| Indusind Bank Ltd | 10 | 498 | 4,33,977 | 567 | 4,94,106 |
| Kotak Mahindra Bank Ltd | 5 | 596 | 4,11,672 | 776 | 5,36,003 |
| Lupin Ltd | 2 | 407 | 6,98,196 | 366 | 6,39,501 |
| Motherson Sumi Systems Ltd | 1 | 1,807 | 5,60,955 | 1,880 | 5,94,995 |
| MRF Ltd | 10 | 11 | 5,99,887 | - | - |
| P I Industries Ltd | 1 | 857 | 5,83,230 | 891 | 6,06,369 |
| Page Industries Ltd | 10 | 43 | 6,23,624 | 43 | 6,23,624 |
| Pidilite Industries Ltd | 1 | 653 | 3,64,584 | 882 | 4,92,439 |
| Shree Cement Ltd | 10 | 30 | 3,78,039 | 23 | 2,58,238 |
| Sun Pharma Ltd | 1 | - | - | 636 | 6,19,872 |
| Welspun India Ltd | 1 | 3,609 | 3,21,699 | - | - |
| Total | | | 1,91,28,270 | | 2,67,58,517 |
| C. In Units of Mutual Funds - At Cost (Unquoted) | | | | | |
| | | No. of Units | ₹ | No. of Units | ₹ |
| Milestone Real Estate Fund. | | 1,356.00 | 13,56,000 | 1737.00 | 17,37,000 |
| India REIT Mumbai Redevelopment Fund | | 53.99 | 53,99,030 | 73.99 | 73,99,030 |
| ICICI Prudential Real Estate Scheme - 1 | | 3,91,549.00 | 39,24,712 | 510000.00 | 51,09,222 |
| HDFC Corporate Debts Opportunities | | | | | |
| Fund - Regular - Growth | | 6,99,710.50 | 80,00,000 | 6,99,710.50 | 80,00,000 |
| HDFC Short Term Plan - Growth | | 2,53,692.13 | 70,00,000 | 2,53,692.13 | 70,00,000 |
| HDFC Gilt Fund - Long Term - Growth | | 4,97,418.40 | 1,50,00,000 | 4,97,418.40 | 1,50,00,000 |
| Kotak Medium Term Fund - Regular - Growth | | 6,12,648.57 | 70,00,000 | 6,12,648.57 | 70,00,000 |
| Reliance Dynamic Bond Fund - Growth | | 8,00,247.54 | 1,50,00,000 | 8,00,247.54 | 1,50,00,000 |
| Reliance Gilt Securities Fund - Growth | | 5,24,188.69 | 1,00,00,000 | 5,24,188.69 | 1,00,00,000 |
| UTI Bond Fund - Growth | | 3,60,243.53 | 1,50,00,000 | 3,60,243.53 | 1,50,00,000 |
| Ambit Alpha Fund | | - | - | 10,000.00 | 1,03,01,604 |
| DSP Black Rock Mutual Fund | | 1,50,000.00 | 1,50,00,000 | - | - |
| Total | | | 10,26,79,742 | | 10,15,46,856 |
| Total Non Current Investments (A+B+C) | | | 12,56,74,012 | | 13,21,71,373 |
| Aggregate amount of quoted investments | | | 2,24,94,270 | | 3,01,24,517 |
| Market Value of Quoted Investments | | | 2,47,41,285 | | 2,68,24,607 |
| Aggregate amount of unquoted investments A+B (i)+C | | | 10,31,79,742 | | 10,20,46,856 |

| | As at March 31, 2017 | As at March 31, 2016 |
|---|----------------------|----------------------|
| | ₹ | ₹ |
| Note No: 12 Deferred Tax (Assets)-Net: | | |
| Deferred Tax Liabilities | | |
| (i) Difference between Net Block of Fixed Assets | 4,42,01,764 | 4,26,93,607 |
| (ii) Capital Gains Tax Liability | - | 3,40,565 |
| Gross Deferred Tax Liability | <u>4,42,01,764</u> | <u>4,30,34,172</u> |
| Deferred Tax Assets | | |
| (i) Expenditure under section 43B of the Income Tax Act, 1961 | 6,61,489 | 9,07,625 |
| (ii) Unabsorbed Depreciation / Business Loss | 8,36,09,783 | 5,56,30,534 |
| (ii) Others | 27,97,037 | 9,64,368 |
| Gross Deferred Tax Assets | <u>8,70,68,309</u> | <u>5,75,02,527</u> |
| Net Deferred Tax (Assets) | <u>(4,28,66,545)</u> | <u>(1,44,68,355)</u> |

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 Flat on the assumption that in the year of profit, the total income will exceed ₹ One crore.

Note No: 13 Long Term Loans and Advances

(Unsecured Considered Good)

| | | |
|---|--------------------|--------------------|
| (a) Security Deposits | 3,66,70,743 | 3,56,59,983 |
| (b) Income Tax payments including Tax Deducted at Source (Net of Provision for Tax of ₹ 36,47,354/-) | 3,15,76,664 | 2,87,03,662 |
| (c) Capital Advances | - | 1,89,051 |
| | <u>6,82,47,407</u> | <u>6,45,52,696</u> |

Note No: 14 Other Non Current Assets

| | | |
|------------------------|--------------------|--------------------|
| MAT Credit Entitlement | 80,24,702 | 80,24,701 |
| Others | 53,62,666 | 53,62,666 |
| | <u>1,33,87,368</u> | <u>1,33,87,367</u> |

| | As at March 31, 2017 | As at March 31, 2016 |
|--|----------------------|----------------------|
| | ₹ | ₹ |
| Note No: 15 Inventories | | |
| (a) Stock in trade (Trading) | 48,14,777 | 39,68,336 |
| (At the lower of Cost and Net Realizable Value) | | |
| (b) Real Estate Business: | | |
| (i) Land & Structures | 10,11,12,931 | 7,91,95,056 |
| (At the lower of Book and Net Realizable Value) | | |
| (ii) Land & Structures | | |
| (At the lower of Cost and Net Realizable Value) | 3,28,83,669 | 2,98,83,614 |
| (iii) Unsold Flat | - | 1,85,40,974 |
| (At the lower of Cost and Net Realizable Value) | | |
| (iv) Land | 2,12,29,733 | 2,02,68,697 |
| (At the lower of Book and Net Realizable Value) | | |
| (c) Renewable Energy Certificates | 46,98,000 | 1,31,91,025 |
| (At Net Realizable Value) | | |
| (d) Stores | 1,40,639 | 1,46,658 |
| (At the lower of Cost and Net Realizable Value) | | |
| | <u>16,48,79,749</u> | <u>16,51,94,360</u> |
| Note No: 16 Trade Receivables - Unsecured: | | |
| (i) Debts outstanding for a period exceeding six months | | |
| (a) Considered Good - Note No. 30 | 13,72,76,571 | 14,53,46,658 |
| (b) Considered Doubtful | 17,94,705 | - |
| Less: Provision for Doubtful Debts | <u>(17,94,705)</u> | - |
| | 13,72,76,571 | 14,53,46,658 |
| (ii) Others | 23,75,01,112 | 33,53,85,559 |
| | <u>37,47,77,683</u> | <u>48,07,32,217</u> |
| Note No: 17 Cash and Bank Balances | | |
| (i) Cash and Cash Equivalents: | | |
| (a) Balances with Banks | 2,91,44,071 | 4,56,74,705 |
| (b) Cash on Hand | 5,59,283 | 21,80,985 |
| (Particulars of Specified Bank Notes - Note No. 33) | | |
| (c) Units of Liquid Mutual Funds | 2,36,91,779 | 1,07,03,019 |
| (ii) Earmarked balances with Banks | 8,96,19,437 | 8,81,12,697 |
| (Consists of Unclaimed Dividends ₹ 20,85,876/-) | | |
| | <u>14,30,14,569</u> | <u>14,66,71,406</u> |

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| | As at March 31, 2017 | As at March 31, 2016 |
|--|----------------------|----------------------|
| | ₹ | ₹ |
| Note No: 18 Short Term Loans and advances | | |
| Secured, Considered Good: | | |
| Inter Corporate Deposit | 1,24,08,778 | 1,24,08,778 |
| (Secured against Marketable Equity Shares and Land) | | |
| Less: Provision for Fall in value of Security | - 1,24,08,778 | 1,15,00,000 9,08,778 |
| Unsecured considered good: | | |
| (a) Inter Corporate Deposits | 1,88,69,182 | 2,13,59,014 |
| (b) Advances Recoverable in Cash or in kind or for value to be received | 8,06,63,489 | 9,39,60,470 |
| | <u>11,19,41,449</u> | <u>11,62,28,262</u> |
| Note No: 19 Other Current Assets | | |
| Other Receivables | 1,36,67,149 | 4,88,21,296 |
| Less: Considered Doubtful | - 1,36,67,149 | 2,85,000 4,85,36,296 |
| | <u>1,36,67,149</u> | <u>4,85,36,296</u> |
| Note No: 20 Contingent Liabilities: | | |
| Corporate Guarantee of USD 5.60 Mio given by the Company to Indian Overseas Bank, Hong Kong for Working Capital Facilities granted by it to Wholly Owned Subsidiary M/s. Modern International (Asia) Limited as also counter guarantee given to Chairman & Managing Director in respect of personal guarantee given by him in respect of the aforesaid facility. | 36,30,96,160 | 37,14,64,240 |
| | <u>36,30,96,160</u> | <u>37,14,64,240</u> |
| Note No: 21 Capital & Other Commitments: | | |
| Estimated Value of Contracts in Capital Account remaining to be executed and not provided for (Net of advances of ₹ 16,68,750/-) | 2,06,250 | 4,56,250 |
| Other Commitments | - | 5,00,000 |

(CONSOLIDATED)



| | 2016-2017 | 2015-2016 |
|---|-----------------------|-----------------------|
| | ₹ | ₹ |
| Note No: 22 Revenue from Operations | | |
| (a) Sale of Products | 2,11,55,90,903 | 1,48,86,83,860 |
| (b) Revenue from Renewable Energy Generation | 3,16,68,001 | 2,22,20,948 |
| (c) Sale of Flat | 4,75,00,000 | - |
| (d) <u>Sale of Services:</u> | | |
| (i) Income from Background Check Services | 21,44,10,570 | 18,53,41,129 |
| (ii) Vocational Training Fees | 1,28,450 | 9,71,369 |
| (iii) Income from Real Estate Business | 3,10,000 | 2,83,516 |
| (e) Other Operating Revenues | | |
| Rent Income | 22,08,278 | 14,89,904 |
| | <u>2,41,18,16,202</u> | <u>1,69,89,90,726</u> |
| Note No: 23 Other Income | | |
| (a) Interest Income | 94,56,756 | 2,05,82,582 |
| (b) Dividend Income (Note No. 29) | 6,53,754 | 11,07,280 |
| (c) Net gain on sale of investments: | | |
| Profit on sale of Non Current Investments | 14,14,899 | 1,12,56,622 |
| Profit on sale of Current Investments | 16,54,776 | - |
| Profit on Sale of Property | 18,82,500 | 7,05,000 |
| (d) Other Non-operating Income: | | |
| (i) Commission | - | 1,09,193 |
| (ii) Provision no longer required Written Back | 1,16,14,378 | 3,81,400 |
| (iii) Profit on Sale of Fixed Assets | - | 12,40,75,797 |
| (iv) Miscellaneous income | 38,83,950 | 15,13,210 |
| | <u>3,05,61,013</u> | <u>15,97,31,084</u> |
| Note No: 24 (Increase) / Decrease in Inventories | | |
| <u>Inventories at the end of the Year</u> | | |
| (a) Traded Goods | 48,14,777 | 39,68,336 |
| (b) Real Estate Business | | |
| (i) Land & Structure | 10,11,12,931 | 7,91,95,056 |
| (ii) Land & Structure | 3,28,83,669 | 2,98,83,614 |
| (iii) Unsold Flat | - | 1,85,40,974 |
| (iv) Land | 2,12,29,733 | 2,02,68,697 |
| (c) Stores | 1,40,639 | 1,46,657 |
| (d) Renewable Energy Certificates | 46,98,000 | 1,31,91,025 |
| | <u>16,48,79,749</u> | <u>16,51,94,359</u> |
| <u>Inventories at the beginning of the Year</u> | | |
| (a) Traded Goods | 39,68,336 | 41,07,716 |
| (b) Real Estate Business | | |
| (i) Land & Structure | 7,91,95,055 | 6,71,95,056 |
| (ii) Land & Structure | 2,98,83,614 | 2,94,99,614 |
| (iii) Unsold Flat | 1,85,40,974 | 1,85,40,974 |
| (iv) Land | 2,02,68,697 | 2,02,68,697 |
| (c) Stores | 1,46,658 | 1,60,744 |
| (d) Renewable Energy Certificates | 1,31,91,025 | - |
| | <u>16,51,94,359</u> | <u>13,97,72,801</u> |
| (Increase) / Decrease in Inventories | 3,14,610 | (2,54,21,558) |

(CONSOLIDATED)



| | 2016-2017 | 2015-2016 |
|---|---------------------|---------------------|
| | ₹ | ₹ |
| Note No: 25 Employee Benefit Expenses: | | |
| (Including Managing Director's Remuneration - Note No. 32) | | |
| Salaries & Wages | 14,33,93,009 | 12,06,64,183 |
| Contribution to Provident and other funds | 65,43,339 | 50,00,269 |
| Gratuities | 26,45,415 | 18,87,026 |
| Staff Welfare Expenses | 36,04,093 | 27,06,866 |
| | <u>15,61,85,856</u> | <u>13,02,58,344</u> |
| Note No: 26 Finance Cost: | | |
| Interest Expenses | 1,16,40,067 | 4,42,57,908 |
| Other Borrowing Cost | 84,74,244 | 37,35,064 |
| | <u>2,01,14,311</u> | <u>4,79,92,972</u> |
| Note No: 27 Other Expenses: | | |
| Stores Consumed | 13,950 | 6,669 |
| Power & Fuel | 43,46,840 | 42,44,144 |
| Rent | 2,09,80,276 | 1,87,92,517 |
| Water Charges | 2,63,998 | 4,25,817 |
| Repairs to: | | |
| Machinery | 15,10,811 | 24,49,409 |
| Buildings | 6,27,732 | 26,50,603 |
| Others | 5,35,946 | 6,84,722 |
| | <u>26,74,489</u> | <u>57,84,734</u> |
| Insurance | 15,72,809 | 19,30,343 |
| Rates and Taxes, excluding taxes on income | 75,51,818 | 72,20,970 |
| Real Estate Business Expenses | 2,58,78,967 | 1,23,84,000 |
| Travelling & Conveyance | 45,23,691 | 83,91,004 |
| Legal and Professional Charges | 1,88,72,250 | 2,79,73,895 |
| Donation | 31,000 | 4,01,000 |
| Corporate Social Responsibility Expenses-Note No.31 | 6,04,500 | 3,76,250 |
| Directors Sitting Fees | 33,78,400 | 28,15,792 |
| Loss on Sale of Non Current Investments (Net) | - | 36,526 |
| Loss on Sale of Fixed Assets | 11,87,818 | - |
| | <u>17,94,705</u> | <u>-</u> |
| Payment to Auditors: | | |
| - Audit Fees | 9,54,586 | 10,48,822 |
| - Tax Audit Fees | 57,500 | 57,500 |
| - Other Services | 3,54,776 | 6,45,383 |
| - Reimbursement of expenses | 21,004 | 16,359 |
| | <u>13,87,866</u> | <u>17,68,064</u> |
| Commission on Sales | 26,46,35,860 | 1,66,07,734 |
| Security Charges | 56,84,519 | 59,57,908 |
| Miscellaneous Expenses | 1,80,41,396 | 1,45,83,128 |
| | <u>38,34,25,152</u> | <u>12,97,00,495</u> |

Note No: 28 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.

Note No: 29 Dividend consists of dividend on (i) Current Investments ₹ Nil (Previous Year ₹ 4,12,364/-) and (ii) Non Current Investments ₹ 3,96,962/-. (Previous Year ₹ 6,94,916/-)

Note No: 30 Out of the sum of ₹ 13,72,76,571, 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 (NSE). The Company has filed a representative suit in the Hon'ble Bombay High Court for recovery of the same. Date of hearing before Ministry of Corporate Affairs (MCA) to pass Order under Section 396 of the Companies Act, 1956 is adjourned to the month of June - 2017. 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. Other agencies including Economic Offence Wing and Enforcement Directorate are also in process of liquidating assets of defaulters. 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: 31 During the year, the Company has Donated ₹ 6,04,500/- (Previous year ₹ 3,76,250/-) as a part of Corporate Social Responsibility to Vijay Jatia Foundation for Repairing of School Building, Scholarship and Research. Details of amount pending at the end of the year are as under.

| | 2016-17 ₹ | 2015-16 ₹ |
|---|--------------|--------------|
| Amount unspent at the beginning of the year | 5,69,388 | 5,21,450 |
| Amount required to be spent for the year | 26,749 | 4,24,188 |
| Amount spent during the Year | 6,04,500 | 3,76,250 |
| Amount unspent at the end of the year | Nil | 5,69,388 |

Note No: 32 Managing Director's Remuneration:

Pursuant to Notification dated 12th September, 2016 issued by Ministry of Corporate Affairs which amended Schedule V of the Companies Act, 2013, the Board of Directors of the Company in its meeting held on March 23, 2017 approved increase in remuneration of Chairman & Managing Director of the Company Shri. Vijay Kumar Jatia in case of no profit or inadequate profit from ₹ 84.00 Lakhs to ₹ 168.00 Lakhs per annum with effect from October 01, 2016. Shareholders of the Company in their meeting held on August 08, 2015 had already passed a Special Resolution and approved his re-appointment for a period of 3 years ending on July 31, 2018 at a remuneration of ₹ 180.00 Lakhs per annum.

Note No: 33 Particulars of Specified Bank Notes (SPN's) held and transacted during the period 08/11/2016 to 30/12/2016

| | Specified Bank Notes Amount (₹) | Other Denomination Notes Amount (₹) | Total Amount (₹) |
|---------------------------------------|---------------------------------------|---|---------------------|
| Closing Cash on Hand as on 08/11/2016 | 1309000 | 372241 | 1681241 |
| Add: Permitted Receipts | - | 3028022 | 3028022 |
| Less: Permitted Payments | 27000 | 1991952 | 2018952 |
| Less: Amount Deposited in Bank | 1282000 | - | 1282000 |
| Closing Cash on Hand as on 30/12/2016 | - | 1408311 | 1408311 |

For the purposes of this clause, the term "Specified Bank Notes" shall have the same meaning provided in the notification of the Government of India, in the Ministry of Finance, Department of Economic Affairs number S.O. 3407(E), dated November 8, 2016.

Note No:34 Segment Information for the Year ended 31st March, 2017

Primary Segment reporting - Business Segments

| Particulars | Amount (₹) | | | | | |
|--|----------------------|---------------------------|---------------------|-----------------------|-------------------------|-----------------------|
| | Renewable Energy | Background Check Services | Real Estate | Trading | Unallocated / Corporate | Total |
| A) Segment Revenue: | | | | | | |
| External Sales / Income from Operations | 3,16,68,001 | 21,44,10,570 | 4,78,10,000 | 2,11,55,90,903 | 23,36,728 | 2,41,18,16,202 |
| | <i>2,22,20,948</i> | <i>18,53,41,129</i> | <i>2,83,516</i> | <i>1,48,86,83,860</i> | <i>24,61,273</i> | <i>1,69,89,90,726</i> |
| Other Income | 1,04,951 | 42,29,195 | 35,24,712 | 26,91,702 | 2,00,10,453 | 3,05,61,013 |
| | - | <i>60,31,947</i> | <i>64,43,767</i> | <i>12,24,711</i> | <i>14,60,30,659</i> | <i>15,97,31,084</i> |
| Total | 3,17,72,952 | 21,86,39,765 | 5,13,34,712 | 2,11,82,82,605 | 2,23,47,181 | 2,44,23,77,215 |
| | <i>2,22,20,948</i> | <i>19,13,73,076</i> | <i>67,27,283</i> | <i>1,48,99,08,571</i> | <i>14,84,91,932</i> | <i>1,85,87,21,810</i> |
| B) Segment Results: | | | | | | |
| Profit/(Loss) before Depreciation, Taxes & exceptional items | 1,21,24,915 | 2,07,90,330 | 3,23,68,707 | 1,11,75,386 | (8,27,85,447) | (63,26,109) |
| | <i>19,51,616</i> | <i>2,50,64,882</i> | <i>54,48,864</i> | <i>48,47,809</i> | <i>4,03,16,844</i> | <i>7,76,30,015</i> |
| Depreciation | 2,33,73,716 | 73,07,078 | 4,41,442 | - | 80,32,277 | 3,91,54,513 |
| | <i>2,80,22,527</i> | <i>65,18,832</i> | <i>22,557</i> | - | <i>1,15,84,512</i> | <i>4,61,48,428</i> |
| Profit / (Loss) before Taxes and Exceptional items | (1,12,48,801) | 1,34,83,252 | 3,19,27,265 | 1,11,75,386 | (9,08,17,724) | (4,54,80,622) |
| | <i>(2,60,70,911)</i> | <i>1,85,46,050</i> | <i>54,26,307</i> | <i>48,47,809</i> | <i>2,87,32,332</i> | <i>3,14,81,587</i> |
| C) Other Information: | | | | | | |
| Segment Assets | 17,21,34,878 | 11,62,82,986 | 34,12,95,091 | 45,76,56,163 | 48,50,16,775 | 1,57,23,85,893 |
| | <i>21,09,03,018</i> | <i>11,36,57,134</i> | <i>30,76,66,873</i> | <i>59,04,78,923</i> | <i>50,68,21,917</i> | <i>1,72,95,27,865</i> |
| Segment Liabilities | 17,64,038 | 2,34,07,114 | 85,00,34,500 | 13,92,10,481 | 9,50,08,360 | 1,10,94,24,493 |
| | <i>12,77,569</i> | <i>2,84,44,004</i> | <i>76,12,79,031</i> | <i>30,66,04,575</i> | <i>14,51,04,385</i> | <i>1,24,27,09,564</i> |
| Capital Expenditure | 23,40,659 | 66,87,819 | - | - | 90,067 | 91,18,545 |
| | <i>20,99,00,751</i> | <i>87,70,329</i> | - | - | <i>1,79,15,266</i> | <i>23,65,86,346</i> |
| Depreciation | 2,33,73,716 | 73,07,078 | 4,41,442 | - | 80,32,277 | 3,91,54,513 |
| | <i>2,80,22,527</i> | <i>65,18,832</i> | <i>22,557</i> | - | <i>1,15,84,512</i> | <i>4,61,48,428</i> |
| Non Cash Expenses other than | - | - | - | - | - | - |
| Depreciation | - | - | - | - | - | - |

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

- (i) The Company has identified Business Segments as primary segments. The Reportable Business Segments are: a) 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 | 78,38,40,001 | 1,62,79,76,201 | 2,41,18,16,202 | 99,06,77,763 | 70,83,12,963 | 1,69,89,90,726 |
| Capital Expenditure | 91,18,545 | - | 91,18,545 | 23,65,86,346 | - | 23,65,86,346 |
| Carrying Amount of Segment Assets | 1,30,61,83,299 | 26,62,02,594 | 1,57,23,85,893 | 1,42,98,18,239 | 29,97,09,626 | 1,72,95,27,865 |

Note No: 35 Earning Per Share:

Earning Per Share has been calculated as under:

| | | |
|--|----------------------|-------------|
| (a) Profit / (Loss) After Taxation and Exceptional Items | (2,34,59,112) | 2,00,26,291 |
| (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) | (0.62) | 0.53 |

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) Ignatius 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
- (v) Col. Swapan Bhadra - CEO

Note: In respect of above parties, there is no provision for doubtful debts as on March 31, 2017 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 ₹)

| | Significant Influence | | | | | Total |
|---|---|------------------------------|--------------------------------|--------------------------|---------------------------------------|-------------|
| | Shree Rani Sati Investment & Finance Ltd. | Sarat Leasing & Finance Ltd. | Buildmat Infra India Pvt. Ltd. | Key Management Personnel | Relatives of Key Management Personnel | |
| 1 (a) Inter Corporate Loans Taken | 2,40,00,000 | 1,00,00,000 | - | - | - | 3,40,00,000 |
| (b) Repayment out of Loans Taken | 2,40,00,000 | - | - | - | - | 2,40,00,000 |
| (c) Amount of Loans taken outstanding at the year end | - | 1,00,00,000 | - | - | - | 1,00,00,000 |
| 2 Interest on Inter Corporate Loans taken | 10,81,727 | 5,72,055 | - | - | - | 16,53,782 |
| 3 Sale of Fixed Assets | - | - | - | - | - | - |
| 4 Managerial Remuneration | - | - | 33,656 | 1,24,07,989 | - | 1,24,07,989 |
| 5 Directors Sitting Fees | - | - | - | 83,50,025 | 2,40,000 | 83,50,025 |
| 6 Salaries | - | - | - | 1,00,000 | 2,40,000 | 3,40,000 |
| | - | - | - | 60,000 | 2,40,000 | 3,00,000 |
| | - | - | - | 2,14,00,000 | 1,50,37,828 | 3,64,37,828 |
| | - | - | - | 2,40,00,000 | 92,89,200 | 3,32,89,200 |

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 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 19th May, 2017

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 19th May, 2017



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 83rd Annual General Meeting of the Company held on Tuesday , 8th August, 2017 at 4:00 pm at Kamalnayan Bajaj Hall, Bajaj Bhavan, Ground Floor, Nariman Point, Mumbai-400021.

*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 / her
2. _____ of _____ having e-mail id _____ or failing him / her
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 83rd Annual General Meeting of the Company, to be held on Tuesday, 8th August, 2017 at 4:00 pm at Kamalnayan Bajaj Hall, Bajaj Bhavan, Ground Floor, Nariman Point, Mumbai-400021 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 31st March, 2017 and the reports of the directors and the auditors thereon. | | |
| 2. | Declaration of dividend on the Equity Shares | | |
| 3. | Re-appointment of Shri. Pradip Kumar Bubna (DIN:00135014) who retires by rotation | | |
| 4. | To Consider the appointment of Auditor and to fix their remuneration Ordinary Resolution | | |
| 5. | Consent for re-appointment and payment of remuneration to Shri. Sidhant Jatia | | |
| 6. | Consent for re-appointment and payment of remuneration to Shri. Mudit Jatia | | |
| 7. | To charge a fee from members of the company for service of documents in a particular mode. | | |

*Applicable for investor holding shares in electronic form.

Signed this _____ day of _____ 2017

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.

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