

NOTICE

NOTICE is hereby given that the Seventy-Fifth Annual General Meeting of the Members of Modern India Limited will be held at the Registered Office of the Company at Modern Centre, Sane Guruji Marg, Mahalaxmi, Mumbai 400 011 on Friday, the 24th day of July, 2009 at 04.30 p.m. to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the Balance Sheet as at 31st March, 2009 and the Profit & Loss Account for the year ended as on that date and the Reports of the Directors and the Auditors thereon.
2. To declare dividend on the Equity Shares for the year ended 31st March, 2009.
3. To appoint a Director in place of Shri. Anand Didwania, who retires from office by rotation and, being eligible, offers himself for re-appointment.
4. To appoint Auditors of the Company to hold office from the conclusion of this meeting until the conclusion of the next Annual General Meeting of the Company, and to fix their remuneration, and for that purpose, to pass the following Resolution, as an **Ordinary Resolution**:

“**RESOLVED** that pursuant to the provisions of Section 224 and other applicable provisions, if any, of the Companies Act, 1956, Messrs. K.S. Aiyar & Company, Chartered Accountants, the retiring Auditors, be and are hereby re-appointed as the Auditors of the Company to hold office from the conclusion of this Meeting until the conclusion of the next Annual General Meeting of the Company and that the Board of Directors of the Company be and is hereby authorized to fix their remuneration for the said period and reimbursement of actual out of pocket expenses, as may be incurred in the performance of their duties.”

SPECIAL BUSINESS

5. To consider and if thought fit, to pass with or without modification(s), the following Resolution as an **Ordinary Resolution**:

“**RESOLVED THAT** Shri. Dilip J. Thakkar a Director who was appointed as an Additional Director of the Company w.e.f. 23rd January, 2009, being the date of consent, in the meeting of the Board of Directors of the Company held on 15th January, 2009 and who holds office as such upto the date of the 75th Annual General Meeting and in respect of whom notice under Section 257 of the Companies Act, 1956 has been received from a member signifying his intention to propose Shri. Dilip J. Thakkar as a candidate for the office of Director of the Company be and is hereby appointed as a Director of the Company, subject to retirement by rotation.
6. To consider and if thought fit, to pass with or without modification(s), the following Resolution as an **Ordinary Resolution**:

“**RESOLVED THAT** Smt. Vasanti B. Patel a Directress who was appointed as an Additional Directress of the Company w.e.f. 20th March, 2009 in the meeting of the Board of Directors of the Company held on 20th March, 2009 and who holds office as such upto the date of the 75th Annual General Meeting and in respect of whom notice under Section 257 of the Companies Act, 1956 has been received from a member signifying his intention to propose Smt. Vasanti B. Patel as a candidate for the office of Director of the Company be and is hereby appointed as a Directress of the Company, subject to retirement by rotation.
7. To consider and, if thought fit, to pass with or without modification(s), the following Resolution as an **Ordinary Resolution**:

“**RESOLVED THAT** Shri. Vijay Kumar Jatia be and is hereby appointed Director of the Company.”
8. To consider and, if thought fit, to pass with or without modification(s), the following Resolution as a **Special Resolution**:

“**RESOLVED THAT**, in terms of Regulations 139-A and 139-B of the Articles of Association of the Company and subject to the provisions of Sections 198, 269, 309 of and Schedule XIII to and other applicable provisions of the Companies Act, 1956, Shri Vijay Kumar Jatia be and is hereby re-appointed Managing Director of the Company with effect from

1st August, 2009 for a term of 3 years up to 31st July, 2012 on the terms and conditions mentioned in the Agreement entered into between the Managing Director and the Company containing powers, functions and duties of the Managing Director and the following remuneration, as approved by the Remuneration Committee:

- (a) Salary – Rs.1,75,000 per month. The salary may be increased from time to time so that overall remuneration including perquisites does not exceed Rs.3,00,000/- per month.
- (b) Commission – Commission on Net Profits of the Company computed in the manner laid down in Section 349 of the Companies Act, 1956, as may be fixed by the Board subject to the ceiling limits laid down in Sections 198 and 309 of the Companies Act, 1956.
- (c) Perquisites – In addition to the aforesaid salary and commission the Managing Director shall be entitled to the following perquisites :
 - i. Free Furnished residential accommodation or House Rent Allowance together with utilities therefor such as gas, electricity, water, furnishings, repairs, servants' salaries, society charges and property taxes as may be approved by the Board.
 - ii. Reimbursement of Medical Expenses incurred for self and family and medical/accident insurance.
 - iii. Personal Accident Insurance in accordance with the rules specified by the Company or as may be agreed to by the Board of Directors.
 - iv. Leave Travel concession for self and family once in a year in accordance with the rules of the Company or as may be agreed to by the Board of Directors.
 - v. Fees of clubs/annual membership fees and/or admission/entrance fees.
 - vi. In case of children studying in or outside India, an education allowance limited to a maximum of Rs.5,000/- per month per child or actual expenses incurred, whichever is less. Such allowance is admissible up to a maximum of two children.
 - vii. Return holiday passage once in a year by economy class or once in two years by first class to children and to the members of the family from the place of their study or stay abroad to India if they are not residing in India with the Managing Director.The above perquisites shall be evaluated as per the income tax Rules wherever applicable. In the absence of such rules, perquisites will be evaluated at actual costs.
- (d) The Managing Director shall also be entitled to the following perquisites which shall not be included in the computation of the ceiling on remuneration specified herein above :
 - i. Contribution to Provident Fund, Superannuation Fund or Annuity Fund to the extent these either singly or put together are not taxable under the income tax Act, 1961.
 - ii. Gratuity payable at the rate not exceeding half a month's salary for each completed year of service.
 - iii. Earned privilege leave at the rate of one month's leave for every eleven months of service. The Managing Director shall be entitled to encash leave at the end of his tenure as Managing Director.
 - iv. Provision for Car with driver for business of the Company and Telephone at the residence of the Managing Director shall not be treated as perquisites.
- (e) Minimum Remuneration : Notwithstanding anything to the contrary herein contained, where in any financial year during the currency of the tenure of the Managing Director, the Company has made no profits or its profits are inadequate, the Company shall pay to the Managing Director, the above salary and perquisites except commission not exceeding the ceiling limits prescribed in Scheduler XIII of the Companies Act, 1956 as Minimum Remuneration.

OTHER BENEFITS

Apart from the aforesaid remuneration, the Managing Director shall be entitled to reimbursement of expenses incurred in

connection with the business of the company.

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

OTHER TERMS

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

RESOLVED FURTHER THAT for the purpose of giving effect to this Resolution, the Board of Directors of the Company be and is hereby authorized to do all such acts, deeds, matters and things as they may in their absolute discretion deem necessary, expedient and proper in the best interests of the Company".

NOTES:

- 1) **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING (THE MEETING) IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON A POLL INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE INSTRUMENT APPOINTING A PROXY SHOULD, HOWEVER, BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN FORTY-EIGHT HOURS BEFORE THE COMMENCEMENT OF THE MEETING.**
- 2) The Explanatory Statement pursuant to Section 173 of the Companies Act, 1956 in respect of the business at Item Nos. 5 to 8 is annexed hereto.
- 3) **The ISIN of new Equity Shares of Rs.2/- each is INE251D01023.**
- 4) Corporate Members intending to send their authorized representatives to attend the Meeting are requested to send a certified copy of the Board Resolution authorizing their representative to attend and vote on their behalf at the Meeting.
- 5) In terms of Article 112 of the Articles of Association of the Company, Shri. Anand Didwania, retire by rotation at the ensuing Annual General Meeting and being eligible offers himself for re-appointment. Similarly, candidatures of Shri. Dilip J. Thakkar and Smt. Vasanti B. Patel Additional Directors of the Company have also been put before the Members for appointment as rotational directors. Brief resume of these Directors, nature of their expertise in specific functional areas and names of Companies in which they hold directorships and memberships/chairmanships of Board Committees, as stipulated under Clause 49 of the Listing Agreement with the Bombay Stock Exchange Limited, are provided in the Report on Corporate Governance forming part of the Annual Report along with this Notice.

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

The Board of Directors of the Company commend their respective re-appointments/appointments.
- 6) Members are requested to bring their Attendance Slip along with their copy of Annual Report to the Meeting.
- 7) Members who hold shares in dematerialized form are requested to write their Client ID and DP ID Numbers and those who hold shares in physical form are requested to write their Folio Number in the Attendance Slip for attending the Meeting.
- 8) The Register of Members and Share Transfer Books of the Company will remain closed from Tuesday, the 14th July, 2009 to Friday, the 24th July, 2009 (both days inclusive) for determining the names of members eligible for the dividend on Equity Shares, if declared at the Meeting and for the Annual General Meeting.
- 9) The dividend on Equity Shares of the Company as recommended by the Board of Directors of the Company, when sanctioned at the Annual General Meeting of the Company, will be made payable within 30 days of the date of



declaration i.e. 24th July, 2009, to the Company's Equity Shareholders, who are entitled for the Dividend as on Friday, the 24th July, 2009, whose names stand registered on the Company's Register of Members:

- a. as Beneficial Owners as at the end of business on 23rd July, 2009 as per the list provided by National Securities Depository Limited and Central Depository Services (India) Limited in respect of the shares held in the electronic form and
 - b. As Members in the Register of Members of the Company after giving effect to valid transfers in physical form lodged with the Company on or before 13th July, 2009.
- 10) In order to provide protection against fraudulent encashment of dividend warrants, Members are requested to intimate the Company's Registrars & Transfer Agents particulars of their Bank Account viz. Name of Bank, , Name of Branch, Complete address of the Bank with Pin Code Number, Account type – whether Saving Account or Current Account and Bank Account Number.
- 11) Members are hereby informed that Dividend which remains unclaimed/un-encashed over a period of 7 years has to be transferred as per the provisions of Sec.205A of the Companies Act, 1956, by the Company to 'The Investor Education & Protection Fund', constituted by the Central Government under Section 205C of the Companies Act, 1956. It may please be noted that once the unclaimed/un-encashed dividend is transferred to the "Investor Education & Protection Fund"(IEPF), no claim shall lie in respect of such amount by the shareholder. The unclaimed Dividend for the year 2001-2002 is due to be transferred to the IEPF on September 30, 2009. Members wishing to claim dividends, which remain unclaimed for the year 2001-2002 and onwards, are requested to correspond with the Company's Registrars & Transfer Agents, along with full particulars.
- 12) Members desirous of making nomination as permitted under Section 109A of the Companies Act, 1956 in respect of the physical shares held by them in the Company, can make nominations in Form 2B. The Members holding shares in demat form may contact their respective depository participants for such nominations.
- 13) Members who hold shares in physical form in multiple folios in identical names or joint accounts in the same order of names are requested to send the share certificates to the Company's Registrars and Transfer Agents, M/s. Satellite Corporate Services Private Limited, for consolidation into a single folio.
- 14) It has been observed that some members have still not surrendered their old Share Certificates for Equity Shares of Rs 50/- each for exchange with the then new Share Certificates for Equity Shares of Rs 10/- each.
- Subsequently, the Company has further sub-divided its Equity Shares of Rs.10/- each in 5 Equity Shares of Rs.2/- each, on February 1, 2008.
- The Members are once again requested to surrender the old Share Certificates for Equity Shares of Rs 50/- each or Rs.10/- each, as the case may be, to the RTA or the Company to exchange for the Equity Shares of Rs.2/- each.
- 15) As per the approval granted by the Central Government under section 212(8) of the Companies Act, 1956, copy of Balance Sheet, Profit and Loss Account, Report of the Board of Directors and the Report of the Auditors of the Subsidiary Companies are not attached with the Annual Report of the Company. However, the Annual Reports of all the Subsidiary Companies are available for inspection at the Registered Office of the Company to any member/investor of the Company. Further, the Company will make available these documents to any member/investor upon request.

By Order of the Board of Directors
AJIT P. WALWAIKAR

Mumbai
Dated: 10th June, 2009

G.M. (Legal) & Company Secretary

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

ANNEXURE TO NOTICE

EXPLANATORY STATEMENT AS REQUIRED PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956

The following Explanatory Statement sets out all the material facts relating to the SPECIAL BUSINESS mentioned under Item Nos. 5 to 8 of the accompanying Notice:

Item No.5

Shri. Dilip Jayantilal Thakkar (72), Chartered Accountant, was appointed an Additional Director, w.e.f. 23rd January, 2009 being the date of giving Consent to Act as Director, of the Company in the meeting of the Board of Directors of the Company held on 15th January, 2009. As per the provisions of Section 260 of the Companies Act, 1956 and Regulation 103 of the Articles of Association of the Company, Shri. Dilip J. Thakkar holds office of Directorship up to the date of the ensuing 75th Annual General Meeting. The Company has received Notice, in writing, from a member of the company under Section 257 of the Companies Act, 1956 together with requisite deposit signifying his intention to propose the name of Shri. Dilip Thakkar for appointment as Director, subject to retirement by rotation.

Except Shri. Dilip Thakkar, himself, none of the other Directors is concerned or interested in this Resolution. Your Directors recommend the Resolution for your approval.

Item No. 6

Smt. Vasanti B. Patel (58), Legal Practitioner, was appointed an Additional Directress, w.e.f. 20th March, 2009 in the meeting of the Board of Directors of the Company held on 20th March, 2009. As per the provisions of Section 260 of the Companies Act, 1956 and Regulation 103 of the Articles of Association of the Company, Smt. Vasanti B. Patel holds office of Directorship up to the date of the ensuing 75th Annual General Meeting. The Company has received Notice, in writing, from a member of the company under Section 257 of the Companies Act, 1956 together with requisite deposit signifying his intention to propose the name of Smt. Vasanti B. Patel for appointment as Directress, subject to retirement by rotation.

Item Nos. 7 and 8

Shri. Vijay Kumar Jatia (51) is the Managing Director of the Company. He is also Main Promoter of the Company. He is sought to be appointed as Permanent Director of the Company out of the quota of 1/3rd of the directors who are not subject to retirement by rotation within the meaning of S.255 of the Companies Act, 1956.

Shri. V.K. Jatia is a Director of the Company since 1994 and the Managing Director of the Company since 2001. He has extensive experience of over 34 years in industry and business. His tenure as the Managing Director of the company ends on 31st July, 2009. Considering his rich and vast experience and exceptional managerial skills, the Board of Directors felt that it would be in the best interest of the Company to re-appoint him as Managing director of the Company. Accordingly, the Board of Directors, in its meeting held on 10th June, 2009, re-appointed him as Managing Director w.e.f. 1st August, 2009 and, on the recommendation of the Remuneration Committee, fixed terms and conditions as to the Remuneration payable to him as mentioned in the Item No. 8 Resolution. An Agreement has been executed between the Managing Director and the Company containing all the terms and conditions of his re-appointment.

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

In view of Para (B) of Section II of Part II of Schedule XIII to the Companies Act, 1956, Shri. V.K. Jatia can draw salary and perquisites at Rs.3,00,000/- per month subject to fulfillment of certain conditions, inter alia, such as approval of the members of the Company by Special Resolution, etc.

Your Directors recommend the resolution for your approval.

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



Directors recommend your acceptance thereof in the interest of the Company. This may also be treated as an Abstract of terms and conditions and Memorandum of Interest under Section 302 of the Companies Act, 1956. The Agreement between the Company and the Managing Director is available for inspection of the members of the Company between 11.00 a.m. and 1.00 p.m. on any of the working days upto the date of the previous day of the 75th AGM.

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

By Order of the Board of Directors
AJIT P. WALWAIKAR

Mumbai
Dated: 10th June, 2009

G.M. (Legal) & Company Secretary

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

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

I. GENERAL INFORMATION

1. Nature of the Industry – The Company is in the Real Estate business.
2. Date of expected date of commencement of commercial production : N. A.
3. In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus - N. A.
4. Financial Performance - (Based on the audited Accounts for the year ended 31.03.2009)

(Rs. in Crores)

Turnover	244.38
Net Profit before tax	8.86
Total Expenditure	235.52

5. Export performance and net foreign exchange collections : Exports Rs.7.65 crores.
Net Exchange earnings Rs. 7.41 cr
There is no foreign collaboration.
6. Foreign Investments or Collaborators, if any : NIL

II. INFORMATION ABOUT THE APPOINTEE :

1. Background details:

Shri. Vijay Kumar Jatia is a Director of the company since 1994 and has been the Managing Director of the Company since 2001. He has extensive experience of over 34 years in industry and business. He is skillfully steering the Company in excelling in Real Estate Business.

2. Past Remuneration :

The total remuneration paid to Shri. Vijay Kumar Jatia during the period 1st April, 2008 to 31st March, 2009 is Rs.47,05,320/-.

3. Recognition or awards:

Shri. Vijay Kumar Jatia was Committee Member of Mill Owners' Association and various Committees of FICCI-Western Regional Council.

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

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

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

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

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

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

4. *Job profile and his suitability :*

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

5. *Remuneration proposed :*

The Abstract containing details of remuneration proposed to be paid to the Managing Director are contained in the Resolution No. 8 of the Notice of the 75th Annual General Meeting.

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

The remuneration proposed is comparatively lower than what is being paid to the captains of the similar real estate development companies operating in India taking into consideration the experience of Shri. Vijay Kumar Jatia.

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

Shri. Vijay Kumar Jatia is holding 4.77% shares of the Company. Apart from this, he does not have any other pecuniary transactions with the Company except by way of his contract of employment with the Company.

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

III. OTHER INFORMATION :

1. *Reasons of loss or inadequate profit:*

For the past several years and for the time being, the Company is earning profits in its operations. However, looking to the global meltdown and lull in the real estate business, there is likely to be impact on the operations of the Company bringing down margins to some extent in future till the economy recovers. As such, out of abundant precautions, the remuneration to the Managing Director is sought to be fixed also under Schedule XIII to the Companies Act, 1956.

2. *Steps taken for improvement:*

The question here is not improvement in the working of the Company but to keep the recession at bay and save the Company from coming into its clutches. The Company is taking positive view of this recession as an opportunity to reinforce its fundamentals such as training of its human resources, renegotiations of old and new land deals, etc.

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

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

IV. DISCLOSURES :

1. The 'Abstract' containing details of remuneration proposed to be paid to the Managing Director are being circulated among the Shareholders of the Company and is contained in the Notice convening the 75th Annual General Meeting.
2. All the relevant information pertaining to the Managing Director and other Directors required to be disclosed in the Directors' Report under the heading "Corporate Governance", are attached to the Annual Report.

Mumbai
Dated: 10th June, 2009

By Order of the Board of Directors
AJIT P. WALWAIKAR

G.M. (Legal) & Company Secretary