

**MODERN INDIA FREE TRADE WAREHOUSING PRIVATE LIMITED**  
Modern Centre, Sane Guruji Marg, Mahalaxmi, Mumbai 400 011

**NOTICE**

**NOTICE** is hereby given that the 4th Annual General Meeting of the Members of Modern India Free Trade Warehousing Private Limited will be held at the Registered Office of the Company at Modern Centre, Sane Guruji Marg, Mahalaxmi, Mumbai 400 011, on Monday, the 16<sup>th</sup> July, 2012 at 12:30 p.m. to transact the following business:-

**ORDINARY BUSINESS:**

1. To receive, consider and adopt the audited Balance Sheet as at 31st March, 2012 and the Profit & Loss Account for the period ended on that date and the Reports of the Directors and the Auditors thereon.
2. To appoint a Director in place of Shri Vijay Kumar Jatia, who retires by rotation and, being eligible, offers himself for re-appointment.
3. To appoint Auditors to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting and to fix their remuneration.

By Order of the Board of Directors

Place: Mumbai  
Date: 15<sup>th</sup> May, 2012

  
**Vijay Kumar Jatia**  
Chairman

**Registered Office:**

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

**NOTES:**

**A member entitled to attend and vote at the meeting is entitled to appoint a Proxy to attend and vote instead of himself and such proxy need not be a member of the Company.**

Proxies, in order to be effective, must be received at the Registered Office of the Company not less than 48 hours before the time of holding the meeting.

**MODERN INDIA FREE TRADEWAREHOUSING PRIVATE LIMITED**  
Modern Centre, Sane Guruji Marg, Mahalaxmi, Mumbai 400 011

**DIRECTORS' REPORT**

To,  
The Members,

The Directors have pleasure in submitting the 4th Annual Report on the working of the Company together with the audited accounts for the period ended on 31<sup>st</sup> March, 2012.

**FINANCIAL RESULTS**

Particulars	For the Year Ended 31.03.2012 (Rs.)	For the Year Ended 31.03.2011 (Rs.)
Profit/(Loss) before tax	(16,050)	(20,01,593)
Provision for tax	-	-
Profit/(Loss) after tax	(16,050)	(20,01,593)
Add : Balance B/f from last year	(21,16,906)	(115313)
Balance C/f to Balance Sheet	(21,32,956)	(21,16,906)
Basic/Diluted Earning per Share	(0.32)	(40.03)

**DIVIDEND**

In view of the losses incurred, the Board of Directors of the Company do not recommend any dividend for the year under review.

**WORKING OF THE COMPANY**

Though international trade is returning to normalcy but scenario is still full of uncertainties. The Direct Tax Code provisions, sought to be implemented by the Government of India, are taking away all the benefits such as tax holidays, stamp duty exemption, etc. from such export oriented projects. Therefore, no further outlay is earmarked to the Warehousing Project. No further acquisition of land has been undertaken since the last three years.

**DIRECTORS**

Shri Vijay Kumar Jatia, Director of the Company, retires by rotation and, being eligible, offers himself for re-appointment.

**AUDITORS' APPOINTMENT**

The present Auditors, M/s. M. L. Sharma & Co, Chartered Accountants, hold office until the conclusion of the ensuing Annual General Meeting, and being eligible, offer themselves for re-appointment. Members are requested to appoint Auditors and fix their remuneration.

## CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION & FOREIGN EXCHANGE EARNINGS AND OUTGOING

The nature of the Company's activities is such that there is nothing to state under provision of Section 217(1) (e) of the Companies Act, 1956 read with the provision of Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988.

There has been neither any earning nor outgoing of foreign exchange during the year under review.

### AUDITORS' REPORT

The observations made by the Auditors.	Notes on Accounts in Schedule 12 are self explanatory in relation to the observations of the Auditors.
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### PARTICULARS OF EMPLOYEES

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

### DIRECTORS' RESPONSIBILITY STATEMENT

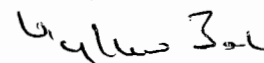
The Directors confirm:

- i) that in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departure;
- ii) that the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent  
  
so as to give a true and fair view of the state of affairs of the Company at the end of the financial year 31<sup>st</sup> March, 2012 and of the Loss the Company for that period;
- iii) that the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of Companies Act, 1956, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- iv) that the Directors have prepared the annual accounts on a going concern basis.

For and on behalf of the Board of Directors

**Place: Mumbai**  
Date: 15<sup>th</sup> May, 2012.

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

  
**Vijay Kumar Jatia**  
Chairman

**AUDITOR'S REPORT**  
**TO THE SHAREHOLDERS OF**  
**MODERN INDIA FREE TRADE WAREHOUSING PRIVATE LIMITED**

We have audited the attached Balance Sheet of MODERN INDIA FREE TRADE WAREHOUSING PRIVATE LIMITED as at 31st March, 2012, the annexed Statement of Profit and Loss for the year ended on that date, and also the Cash Flow Statement for the year ended on that date. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in India. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentations. We believe that our audit provides a reasonable basis for our opinion.

As required by the Companies (Auditor's Report) Order, 2003 issued by the Central Government of India in terms of Section 227 (4A) of the Companies Act, 1956, we enclose in the Annexure, a statement on the matters specified in Paragraphs 4 and 5 of the said Order.

Further to our comments in the Annexure referred to above, we report that:

- (i) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit;
- (ii) In our opinion, proper books of account as required by the law have been kept by the Company so far as appears from our examination of those books;
- (iii) The Balance Sheet, Statement of Profit and Loss and the Cash Flow Statement dealt with by this report are in agreement with the books of account;
- (iv) In our opinion, the Balance Sheet, Statement of Profit and Loss and the Cash Flow Statement dealt with by this report comply with the accounting standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956;

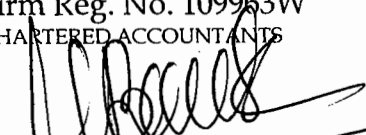


- (v) On the basis of representations from the Directors. As on 31<sup>st</sup> march, 2012, and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31<sup>st</sup> March, 2012 from being appointed as a director in terms of clause (g) of sub-section (1) to Section 274 of the Companies Act, 1956.
- (vi) In our opinion and to the best of our information and according to the explanations given to us, the said accounts **Subject to Note No. 2 D & 2 F REGARDING DEFERRED TAX & SOLVENCY OF THE COMPANY RESPECTIVELY**, read together with Significant Accounting Policies and other notes thereon, give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India;
- In the case of Balance Sheet, of the state of affairs of the Company as at 31<sup>st</sup> March, 2012;
  - In the case of Statement of Profit and Loss, of the Loss for the year ended on that date; and
  - In the case of the Cash Flow Statement of the Cash Flow for the year ended on that date.

Place : Mumbai  
Date : 15 MAY 2012



For M. L. SHARMA & CO.  
Firm Reg. No. 109963W  
CHARTERED ACCOUNTANTS

  
(C. N. BANDI) PARTNER  
M. No. 5385

## ANNEXURE TO THE AUDITORS REPORT

### Annexure referred to in the Auditors' Report to the Shareholders of MODERN INDIA FREE TRADE WAREHOUSING PRIVATE LIMITED on the Accounts for the year ended 31<sup>st</sup> March, 2012.

- 1)
  - a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets;
  - b) As explained to us, all the fixed assets have been physically verified by the management during the year and the frequency of verification is reasonable. On the basis of the explanations given to us, no material discrepancies were noticed on such verification;
  - c) No substantial part of fixed assets has been disposed off during the year, which has bearing of going concern assumptions.
- 2) There were no stock of goods during the year with the Company, hence, comments on its physical verification, valuations and its reasonableness are not required;
- 3)
  - (a) The Company has not granted any loan, secured or unsecured to any party covered in the register maintained under section 301 of the Companies Act, 1956. Hence provisions of clauses (iii) (b), (c) & (d) of the order are not applicable;
  - (b) The Company has taken unsecured loan from 4 parties covered in the register maintained under section 301 of the companies Act, 1956. The maximum amount outstanding for loan taken during the year was Rs. 12,13,10,000/- and the year-end balance of loan taken from such parties was Rs.6,21,65,000/-;
  - (c) In our opinion and according to the information and explanation given to us, the rate of interest and other terms and conditions in respect of loan taken from such parties listed in the register maintained u/s. 301 of the Companies Act, 1956, are not prima facie prejudicial to the interest of the Company;
  - (d) Payment of Principal amount and Interest are regular wherever stipulated.
- 4) In our opinion and according to the information and explanations given to us, it appears that there are adequate internal control systems, commensurate with the size of the Company and nature of the business for the purchase of inventory, fixed assets & for the sale of goods. During the course of audit, we have not observed any continuing failure to correct any major weakness in internal control.

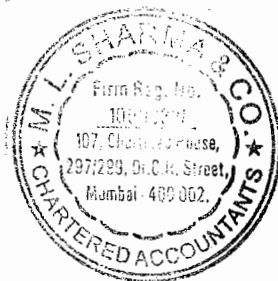


- 5) In our opinion and explained to us there are no transactions of purchase of goods and materials and sale of goods, materials and services made in pursuance of contract or arrangements entered in the register required to be maintained under section 301 of the Companies Act, 1956 and aggregating during the year to Rs.5,00,000/- or more in respect of each party;
- 6) In our opinion and according to the explanations given to us, the company has not accepted any deposits within the meaning of section 58A, 58AA and any other relevant provisions of the Companies Act, 1956 during the year.
- 7) We have been informed that, as the Company's internal control system ensures reasonable checking of its financial and other records the Company has not yet started a formal Internal Audit Department.
- 8) As informed to us, the Central Government has not prescribed maintenance of Cost Records under Section 209 (1) (d) of the Companies Act, 1956 for any of the products of the Company ;
- 9) a) The Company have generally been regular in depositing Income tax, Sales Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, Cess and any other statutory dues with the appropriate authorities and there are no undisputed amounts payable for the same were outstanding as at 31<sup>st</sup> March, 2012 for a period exceeding six months from the date they became payable. As explained to us, the provisions of the Provident Fund and the Employees State Insurance Act, 1948 are not applicable to the Company.  
  
b) According to the information and explanations given to us, and as per books and records examined by us there are no disputed amount payable for Income tax, Wealth Tax, Sales Tax, Service Tax, Customs Duty, Excise Duty and cess etc.
- 10) The Company has incurred cash losses during the current Financial Year as well as in the immediately preceding Financial Year and its accumulated losses is more than fifty percent of its net worth at the end of the Current Financial Year.
- 11) In our opinion and according to the explanations given to us, we are of the opinion that company has not defaulted in repayment of dues to the financial institution / banks.
- 12) We have been informed that the Company has not granted any loans and advances on the basis of security by way of pledge or shares, debentures and other securities.

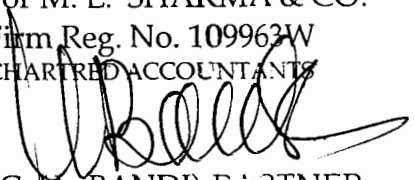


- 13) In our opinion, the Company is not a chit fund or a nidhi / mutual benefit fund / society. Therefore Clause 4 (XIII) of the Companies (Auditor's Report) Order 2003 does not apply to the Company.
- 14) According to information and explanations given to us, the company has not given any guarantee for loan taken by others from bank or financial institution.
- 15) According to the information and explanations given to us, No Term loans were availed during the year.
- 16) As per the information and explanations given to us, and on examination of the balance sheet of the company. We report that no funds raised on short term basis have been used for long term investment;
- 17) According to the information and explanation given to us, during the period covered by our audit report, the company has not made preferential allotment of shares to parties & companies covered in the register maintained under section 301 of the Companies act, 1956.
- 18) During the year the company has not issued any debentures.
- 19) During the period covered by our audit report, the company has not raised any money by way of public issue.
- 20) In our opinion and according to the explanations given to us, no fraud on or by the company has been noticed or reported during the year, that cause the financial statements to be materially misstated.

Place: Mumbai  
Date : 15 MAY 2012



For M. L. SHARMA & CO.  
Firm Reg. No. 109963W  
CHARTERED ACCOUNTANTS

  
(C. H. BANDI) PARTNER  
M. N. 5385



**MODERN INDIA FREE TRADE WAREHOUSING PRIVATE LIMITED**

**Balance Sheet as at 31st March, 2012.**

(Amount in ₹)

	Note No.	As at March 31, 2012.	As at March 31, 2011.
<b>I. EQUITY AND LIABILITIES</b>			
<b>(1) Shareholders' Funds:</b>			
(a) Share Capital	1	5,00,000	5,00,000
(b) Reserves & Surplus	2	(21,32,956)	(21,16,906)
		<b>(16,32,956)</b>	<b>(16,16,906)</b>
<b>(2) Current Liabilities:</b>			
(a) Short-term Borrowings	3	6,21,65,000	6,98,25,000
(b) Other Current Liabilities	4	78,72,022	50,29,264
		<b>7,00,37,022</b>	<b>7,48,54,264</b>
<b>TOTAL</b>		<b>6,84,04,066</b>	<b>7,32,37,358</b>
<b>II. ASSETS:</b>			
<b>(1) Non-current Assets:</b>			
(a) Fixed Assets			
Capital work-in-progress	5	2,79,50,921	2,01,65,887
(b) Long Term Loans & Advances	6	4,03,98,000	5,28,98,000
		<b>6,83,48,921</b>	<b>7,30,63,887</b>
<b>(2) Current Assets:</b>			
(a) Cash and cash equivalents	7	55,145	1,73,471
		<b>55,145</b>	<b>1,73,471</b>
<b>TOTAL</b>		<b>6,84,04,066</b>	<b>7,32,37,358</b>
Summary of Significant Accounting Policies	10		
The accompanying notes are an integral part of the financial statements			

As per our report attached

**For M. L. Sharma & Co.**

Chartered Accountants

Firm Reg. No. 109963W

**C. H. BANDI**

Partner

M. No. 05385

**15 MAY 2012**

Mumbai :



*[Signature]*

Chairman & Managing Director

*[Signature]*

Director


Mumbai : **15 MAY 2012**

**MODERN INDIA FREE TRADE WAREHOUSING PRIVATE LIMITED**  
**Statement of Profit and Loss for the Year ended 31st March, 2012**

(Amount in ₹)

	Note No.	2011-12	2010-11
I. Revenue from Operations		-	-
II. Other Income		-	-
III. Total Revenue ( I + II )		-	-
IV. Expenses:			
(a) Finance Costs	8	2,260	24,691
(b) Other expenses	9	13,790	35,790
Total expenses		16,050	60,481
V. Loss before extraordinary items and tax		(16,050)	(60,481)
VI. Extraordinary Items		-	19,41,112
VII. Loss before Tax		(16,050)	(20,01,593)
VIII Tax expense:		-	-
IX Loss for the period from continuing operations		(16,050)	(20,01,593)
X Earnings per Equity Share:			
(1) Basic		(0.32)	(40.03)
(2) Diluted		(0.32)	(40.03)
Summary of Significant Accounting Policies	10		
The accompanying notes are an integral part of the financial statements			

As per our report attached  
**For M. L. Sharma & Co.**  
Chartered Accountants  
Firm Reg. No. 109963W

  
**C. H. BANDI**  
Partner  
M. No. 05385  
15 MAY 2012  
Mumbai :



  
Chairman & Managing Director

  
Director

Mumbai : 15 MAY 2012

**MODERN INDIA FREE TRADE WAREHOUSING PRIVATE LIMITED**

Note No: 1 SHARE CAPITAL

Share Capital	As at March 31, 2012.		As ar March 31, 2011.	
	Number	₹	Number	₹
<b>Authorized:</b>				
Equity Shares of ₹ 10/- each	250000	25,00,000	250000	25,00,000
		<u>25,00,000</u>		<u>25,00,000</u>
<b>Issued, Subscribed &amp; Paid-up:</b>				
Equity Shares of ₹ 10/- each	50000	5,00,000	50000	5,00,000
		<u>5,00,000</u>		<u>5,00,000</u>

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

Equity Shares	As at March 31, 2012.		As ar March 31, 2011.	
	Number	₹	Number	₹
Shares outstanding at the beginning of the year	50000	5,00,000	50000	5,00,000
Shares Issued during the year	-	-	-	-
Shares bought back during the year	-	-	-	-
Shares outstanding at the end of the year	50000	5,00,000	50000	5,00,000

(b) Terms / Rights attached to Equity Shares:

The Company has only one class of Equity Shares having a par value of Rs. 10/- per Share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividends in Indian Rupees. The dividends proposed by the Board of Directors is subject to the approval of the shareholders in the Annual General Meeting.

(c) 25,500 Equity Shares are held by its Holding Company M/s. Modern India Limited.

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

	As at March 31, 2012.		As ar March 31, 2011.	
	No. of Equity Shares held	% of Holding	No. of Equity Shares	% of Holding
Modern India Limited	25500	51	25500	51
Vijaykumar Jatia	5000	10	5000	10
Gauri Jatia	3500	7	3500	7
Vedant Jatia	5000	10	5000	10
Sidhant Jatia	5000	10	5000	10
Mudit Jatia	5000	10	5000	10

Note No: 2 Reserve & Surplus

	As at March 31, 2012.	As ar March 31, 2011.
<b>Deficit in Statement of Profit &amp; Loss</b>		
As per last balance sheet	(21,16,906)	(1,15,313)
Less : Loss for the period	(16,050)	(20,01,593)
	<u>(21,32,956)</u>	<u>(21,16,906)</u>

Note No: 3 Short Term Borrowings

	As at March 31, 2012.	As ar March 31, 2011.
<b>Unsecured:</b>		
(a) Loans and Advances from Related Parties		
(Repayable on Call)		
Modern Derivatives & Comm P Ltd	92,25,000	-
Rate of interest : 11%		
Modern India Property Dev Ltd	3,01,15,000	5,00,00,000
Rate of interest : 11%		
Shree Ranisati Invt & Fin Ltd	2,28,25,000	-
Rate of interest : 13%		
(b) Loan from Holding Company		
Modern India Ltd	-	1,98,25,000
	<u>6 21 65 000</u>	<u>6 98 25 000</u>



*[Handwritten Signature]*

Note No:	4	Other Current Liabilities	As at March 31, 2012.	As ar March 31, 2011.
		(a) Tax Deducted at Source payable	7,78,504	7,89,139
		(b) Interest payables	70,87,900	42,34,610
		( c) Provision for Expenses (Audit Fees)	5,618	5,515
			<u>78,72,022</u>	<u>50,29,264</u>
Note No:	5	Fixed Assets: Capital Work In Progress		
		Pre-operative Expenses Pending Allocation	2,79,50,921	2,01,65,887
Note No:	6	Long Term Loans & Advances	As at March 31, 2012.	As ar March 31, 2011.
		Advance for Land Purchase	4,03,98,000	5,28,98,000
			<u>4,03,98,000</u>	<u>5,28,98,000</u>
Note No:	7	Cash and Cash Equivalents	As at March 31, 2012.	As ar March 31, 2011.
		Balance with Schedule Bank - In Current Account	34,772	1,51,838
		Cash on Hand	20,373	21,633
			<u>55,145</u>	<u>1,73,471</u>
Note No:	8	Finance Cost	2011-12	2010-11
		Interest expense	2,005	24,536
		Other borrowings cost	255	155
			<u>2,260</u>	<u>24,691</u>
Note No:	9	Other Expenses:		
		Insurance	-	25,880
		Rates and Taxes, excluding taxes on income	2,500	2,500
		Legal and Professional Charges	4,412	-
		Auditors' Remuneration: - Audit Fees	5,618	5,515
		Miscellaneous Expenses	1,260	1,895
			<u>13,790</u>	<u>35,790</u>



Note No: 10 Other Notes to Financial Statements for the year ended March 31, 2012.



## 10 Significant Accounting Policies:

### A Basis of Preparation of Financial Statements:

The financial statements have been prepared to comply in all material respects with the Mandatory Accounting Standards issued by The Institute of Chartered Accountants of India notified under Section 211 (3C) of the Companies Act, 1956.

### B Fixed Assets:

Fixed Assets are stated at the cost of acquisition including expenses relating to acquisition, erection, constructions less accumulated depreciation.

### C Depreciation:

Depreciation is provided on WDV basis as per the rates and in the manner specified in Schedule XIV of the Companies Act, 1956.

### D Preliminary Expenses:

Preliminary Expenses are fully written off.

### E Retirement Benefits:

Retirement benefits are not applicable to the company.

### F Investments:

The Company does not own any investment during the year.

### G Recognition of Income & Expenditure:

Income & Expenditure are accounted for on accrual basis.

### H Borrowing Cost

The Company has capitalized the Borrowing Cost which are specifically used for the Purposes of obtaining/construction of a qualifying Assets & Balance amount charged to Profit & Loss account.

### I Taxation:

Provision for Income tax is made on the assessable income at the tax rate applicable to the relevant assessment year. Deferred Income taxes are recognized for the future tax consequences attributable to timing difference between the financial statement determination of income and their recognition for tax purposes. The effect of deferred tax assets & liabilities of a change in tax rates is recognized in income using the tax rates and tax laws that have been enacted for substantively enacted by the balance sheet date. Deferred tax assets are recognized and carried forward only to the extent that there is a reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized.

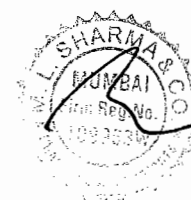
### J Intangible Assets:

- i. Intangible Assets are recognized by the Company only if it is probable that the future economic benefits that are attributable to the assets will flow to the enterprise and the cost of the same can be measured reliably.
- ii. intangible Assets are amortized on a systematic basis over its useful life and the amortization for each period will be recognized as per expense.

### K Impairment:

Impairment loss is recognized wherever the carrying amount of an asset is in excess of its recoverable amount and the same is recognized as an expense in the statement of profit and loss and carrying amount of the asset is reduced to its recoverable amount. Reversal of impairment losses recognized in prior years is recorded when there is an indication that the impairment losses recognized for the asset no longer exist or have decreased.

### Provisions:



3	Sale of Fixed Assets	0	0	0
		0	750000	750000

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

D The Company has not recognized Deferred Tax Assets on Business Losses and On Preliminary Expenses w/off since they believe that Cumulative effect of such items are not reversible in the future years.

**E Earning per Share:**

In compliance with Accounting Standard-20 "Earning per Share" issued by the Institute of Chartered Accountants of India, Basic earning per share has been calculated by dividing net profit after tax with the weighted average number of Equity Shares outstanding during the Year as per details given below :-

Particulars	Year ended 31.03.2012	Year ended 31.03.2011
Net Profit available for equity shareholders	(16050)	(2103876)
Weighted average number of equity share outstandi	50000	50000
Basic/Diluted Earning per Share (on nominal value of Rs 10/- per share)	(0.32)	(42.08)

F The net worth of the company is negative to the extent of Rs.16.33 Lacs (Previous year Rs 16.17 Lacs) and the Company has not commenced its operation. However, the management is of the opinion that the same is not a major threat to the existence of solvency of the company. Hence the company has continued to present its accounts on going concern basis.

G There are no Micro and Small Enterprise to whom the Company owes dues, which are outstanding for more than 45 days as the Balance Sheet date. Further, the Company has not paid any interest to any Micro and Small Enterprises during the accounting year, nor is any interest payable to any Micro and Small Enterprise on 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.

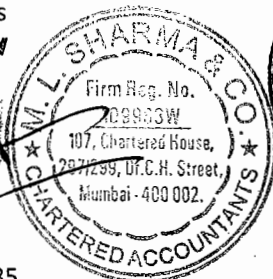
H The Company has yet to commence its operation.

I Since the Company has not commenced its operations, the other disclosures required as per Part II of Schedule VI are either Nil or not applicable to the Company.

J The financial statements have been prepared as per the revised schedule VI to the companies Act, 1956 which had a significant impact on presentation. Comparative figures have been regrouped or rearranged where considered necessary.

K The figures have been rounded off to nearest rupee and previous year's figures have been regrouped / rearranged wherever necessary to make them comparable with figures of current financial year.

For M.L.Sharma & Co  
Chartered Accountants  
Firm Reg. No 109963W



C. H. BANDI (Partner)  
Membership No. : 5385  
Place : Mumbai

Dated : 15 MAY 2012

For Modern India Free Trade Warehousing Pvt. Ltd



Chairman & Managing Director

Director  
Place : Mumbai

Dated : 15 MAY 2012

**MODERN INDIA FREE TRADE WAREHOUSING PRIVATE LIMITED**

**CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2012.**

	(Rs. in Lacs)	(Rs. in Lacs)
	2011-2012	2010-2011
<b>A. Cash Flow From Operating Activities:</b>		
Net Profit Before Tax	(0.16)	(21.08)
Add / (Less) :		
Depreciation	-	0.51
Loss on sale of Fixed Assets	-	0.04
Preliminary Expenses W/off	-	0.55
Prior Period Expenses	0.00	19.41
<b>Operating Profit/(Loss) before working Capital Changes</b>	<b>(0.16)</b>	<b>(0.56)</b>
Inventories	-	-
Trade Receivables	(77.85)	(82.01)
Other Receivables	125.00	3.21
Liabilities	28.43	75.58
<b>Cash Generated from Operations</b>	<b>75.42</b>	<b>(105.92)</b>
Direct Taxes Paid (Net)	-	-
<b>Net Cash Used in Operating Activities</b>	<b>75.42</b>	<b>(105.92)</b>
<b>B. Cash Flow from Investing Activities:</b>		
Sale of Fixed Assets	-	7.46
<b>Net Cash Used in Investing Activities</b>	<b>-</b>	<b>7.46</b>
<b>C. Cash Flow from Financing Activities:</b>		
Repayment of Secured Loan	-	(4.57)
Borrowings from Holding Company	-	104.49
Borrowings Repaid to Holding Company	(76.60)	-
<b>Net Cash from Financing Activities</b>	<b>(76.60)</b>	<b>99.92</b>
<b>Net Increase/(Decrease) in Cash and Cash Equivalents (A+B+C)</b>	<b>(1.18)</b>	<b>1.46</b>
Opening Balance of Cash and Cash Equivalents	1.73	0.27
Closing Balance of Cash and Cash Equivalents	0.55	1.73
<b>Net Increase/(Decrease) as disclosed above</b>	<b>(1.18)</b>	<b>1.46</b>

As per our report attached

**For M.L.Sharma & Co**

Chartered Accountants

Firm Reg. No 109963W

**C. H. BANDI (Partner)**

Membership No. : 5385

Place : Mumbai

Dated : 15 MAY 2012



For and on behalf of the Board

*[Signature]*  
Chairman

*[Signature]*  
Director

Place : Mumbai

Dated : 15 MAY 2012