

**MODERN INDIA FREE TRADE WAREHOUSING PRIVATE LIMITED**

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

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**NOTICE**

NOTICE is hereby given that the 5th 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 Tuesday, the 16<sup>th</sup> July, 2013 at 2.15 p.m. to transact the following business:-

**ORDINARY BUSINESS:**

1. To receive, consider and adopt the audited Balance Sheet as at 31st March, 2013 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 Mudit Jatia, who retires by rotation and, being eligible, offers him 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.

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

4. RESOLVED THAT Mr. N K Deora a Director who was appointed as an Additional Director of the Company w.e.f. 12.07.2012 in the meeting of the Board of Directors of the Company held on 12.07.2012 and who holds office as such upto the date of the ensuing 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 Mr N K Deora 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."

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To consider and if thought fit, to pass with or without modification(s), the following Resolution as a **Special Resolution**:

**“RESOLVED THAT** in accordance with the provisions of Section 31 of The Companies Act, 1956 and all other applicable provisions, if any of The Companies Act, 1956, the existing articles of Association of the Company be and are hereby altered and the following article numbered as Article 9A be & is hereby inserted after the existing article 9 of the articles of Association of the Company.”


#### **9A PERMANENT DIRECTOR**

Shri Vijaykumar Jatia who has been appointed as Director of the Company shall not be liable to retire by rotation or be removed from his office by the Company. The said Shri Vijaykumar Jatia who has been appointed as Director of the Company may by Deed, Poll or by Will or by Codicil appoint any person to be a Director of the Company in his place and stead and that on his death or resignation, the person nominated by him shall be entitled to be appointed as Director of the Company with the same rights, powers and privileges including the power to nominate a Director in his place as of the Director in whose place he is so appointed.

Shri Vijaykumar Jatia shall be the permanent Chairman and shall not be liable to retire and shall preside over the meetings of the Board of Directors and the General meetings of the Company.

By Order of the Board of Directors

Place: Mumbai  
Date: 29.04.2013

  
Vijay Kumar Jatia  
Chairman

#### **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.

## ANNEXURE

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

### Item No. 4

Shri. N K Deora (48 years) was appointed as additional director of the Company by the Board of Director at their meeting held on 12.07.2012. As per the Articles of Association of the Company and the provisions of Section 260 of the Companies Act, 1956, he holds office only up to the date of the ensuing Annual General Meeting of the Company hence it is required to regularize his appointment at the ensuing Annual General Meeting of the Company.

Shri N K Deora has wide range of experience in fields of Accounts, Audit, Taxation and Banking and will be an asset to the Company.

The Directors commend for your approval to the proposed resolutions under Item No.4.

Except Shri. N K Deora , no other Director is deemed to be interested.

Item no.5 : Modern India Limited (MIL) holding Company holds 51% paid up capital of the Company.

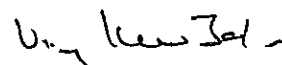
Taking into consideration stake of the MIL and the Promoters and with a view to continue to avail services of Shri Vijay Kumar Jatia and stability in the top management of the company, it is felt by the Board to make Shri Vijaykumar Jatia as permanent Director and Chairman.

Except Shri Vijaykumar Jatia and Shri Mudit Jatia, no other Director is concerned or interested in this Resolution.

The Directors recommend your acceptance thereof in the interest of the Company.

The memorandum and articles of association is available for inspection by the members of the Company between 11.00 a.m. and 1.00 p.m. on any of the working days up to the date of the previous day of the AGM.

Order of the Board of Directors



Vijay Kumar Jatia  
Chairman

Place: Mumbai  
Date: 29.04.2013

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

**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 5th Annual Report on the working of the Company together with the audited accounts for the period ended on **31<sup>st</sup> March, 2013**.

**FINANCIAL RESULTS**

Particulars	For the Year Ended 31.03.2013	For the Year Ended 31.03.2012
	(Rs.)	(Rs.)
Profit/(Loss) before tax	(47,832)	(16,050)
Provision for tax	-	-
Profit/(Loss) after tax	(47,832)	(16,050)
Add : Balance B/f from last year	(21,32,956)	(21,16,906)
Balance C/f to Balance Sheet	(21,80,788)	(21,32,956)
Basic/Diluted Earning per Share	(0.96)	(0.32)

**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:** During the year identified land areas at Village SAI, Dist., RAIGAD, have been acquired. Balance advance payment made towards purchases of the land has been received back. The acquired land areas have potential and offers opportunities over a period of time.

**DIRECTORS:** Shri Mudit Jatia, Director of the Company, retires by rotation and, being eligible, offers himself for re-appointment.

Mr N K Deora was appointed as Additional Directors in terms of Section 260 of the Companies Act, 1956 effective from **12.07.2012**. The Company has received notices in writing from a member proposing the candidature of Mr. N K Deora for the office of the Director.

During year under review, Mr Aniket S Tatkar resigned as a Director of the Company. The Board records its appreciation of the contribution made by the said Director during his tenure as a Director.

**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, 2013 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



**Vijay Kumar Jatia**  
Chairman

**Place: Mumbai**  
Date: 29.04.2013.

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

# INDEPENDENT AUDITOR'S REPORT

## TO THE MEMBERS OF

### MODERN INDIA FREE TRADE WAREHOUSING PRIVATE LIMITED

#### Report on the Financial Statements

We have audited the accompanying financial statements of **MODERN INDIA FREE TRADE WAREHOUSING PRIVATE LIMITED**, which comprise the Balance Sheet as at **March 31, 2013**, and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

#### **Management's Responsibility for the Financial Statements**

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

#### **Auditor's Responsibility**

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

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

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

#### **Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the financial statements **Subject to Note No. 2 D & 2 F REGARDING DEFERRED TAX & SOLVENCY OF THE COMPANY RESPECTIVELY**, give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:



(a) In the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2013;

(b) In the case of the Statement of Profit and Loss, of the Loss for the year ended on that date; and

(c) In the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

### Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.

2. As required by section 227(3) of the Act, we report that:

a. 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;

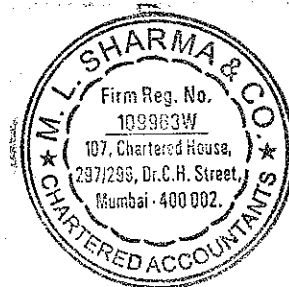
b. in our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;

c. the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this Report are in agreement with the books of account;

d. in our opinion, the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement comply with the Accounting Standards referred to in subsection (3C) of section 211 of the Companies Act, 1956;

e. on the basis of written representations received from the directors as on March 31, 2013, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2013, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

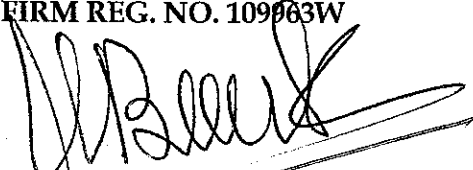
f. Since the Central Government has not issued any notification as to the rate at which the Cess is to be paid under section 441A of the Companies Act, 1956 nor has it issued any Rules under the said section, prescribing the manner in which such Cess is to be paid, no Cess is due and payable by the Company



Place of Signature: Mumbai

Date: 29 APR 2013

For M. L. SHARMA & CO.  
CHARTERED ACCOUNTANTS  
FIRM REG. NO. 109963W

  
(C. H. BANDI) PARTNER  
Membership No.5385

## ANNEXURE TO THE INDEPENDENT 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, 2013.

As required by the Companies (Auditors' Report) Order 2003 issued by the Company Law Board, in terms of Section 227 (4A) of the Companies Act, 1956 and according to the information and explanations given to us during the course of the Audit and on the basis of such checks as were considered appropriate, we further report that ;

- 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 5 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. 13,36,65,000/- and the year-end balance of loan taken from such parties was Rs.4,09,65,000/-;
  - (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.

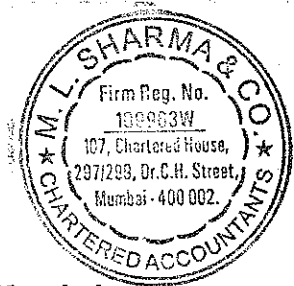




- 4) In our opinion and according to the information and explanations given to us, it appears that there are adequate internal control systems, commensurate with the size of the Company and nature of the business for the purchase of inventory, fixed assets & for the sale of goods. During the course of 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, 2013 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.

A handwritten signature in black ink is written over a circular stamp. The stamp contains the text "CHARTERED ACCOUNTANT" around the perimeter and "Mumbai" in the center. The signature is a cursive, stylized name.

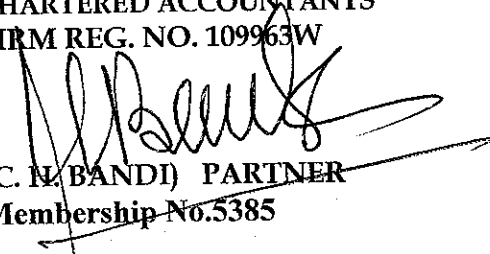
- 11) In our opinion and according to the explanations given to us, we are of the opinion that company has not defaulted in repayment of dues to the financial institution / banks.
- 12) We have been informed that the Company has not granted any loans and advances on the basis of security by way of pledge 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 of Signature: Mumbai**

**Date: 29 APR 2013**

**For M. L. SHARMA & CO.  
CHARTERED ACCOUNTANTS  
FIRM REG. NO. 109963W**

  
**(C. N. BANDI) PARTNER  
Membership No.5385**

**MODERN INDIA FREE TRADE WAREHOUSING PRIVATE LIMITED**

**Balance Sheet as at 31st March, 2013.**

(Amount in ₹)

	Note No.	As at March 31, 2013.	As at March 31, 2012.
<b>I. EQUITY AND LIABILITIES</b>			
<b>(1) Shareholders' Funds:</b>			
(a) Share Capital	1	500,000	500,000
(b) Reserves & Surplus	2	(2,180,788)	(2,132,956)
		<b>(1,680,788)</b>	<b>(1,632,956)</b>
<b>(2) Current Liabilities:</b>			
(a) Short-term Borrowings	3	40,965,000	62,165,000
(b) Other Current Liabilities	4	5,651,425	7,872,022
		<b>46,616,425</b>	<b>70,037,022</b>
<b>TOTAL</b>		<b>44,935,637</b>	<b>68,404,066</b>
<b>II. ASSETS:</b>			
<b>(1) Non-current Assets</b>			
<b>(a) Fixed Assets</b>			
(i) Tangible Assets	5	44,629,066	0
(ii) Capital work-in-progress		0	27,950,921
<b>(b) Capital Advances</b>	6	0	40,398,000
		<b>44,629,066</b>	<b>68,348,921</b>
<b>(2) Current Assets:</b>			
(a) Cash and cash equivalents	7	306,571	55,145
		<b>306,571</b>	<b>55,145</b>
<b>TOTAL</b>		<b>44,935,637</b>	<b>68,404,066</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

*(Signature)*  
**(C. H. BANDI) Partner**  
 M. No. 05385



*(Signature)*

Director

*(Signature)*  
 Director

Place of Signature : Mumbai  
 Dated : 29 APR 2013

Place of Signature : Mumbai  
 Dated :

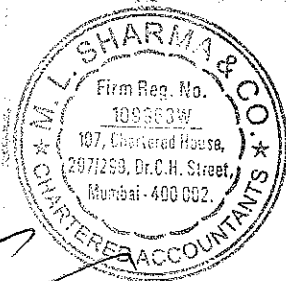
**MODERN INDIA FREE TRADE WAREHOUSING PRIVATE LIMITED**

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

(Amount in ₹)

	Note No.	2012-13	2011-12
I. Revenue from Operations		-	-
II. Other Income		-	-
III. Total Revenue (I + II)		-	-
IV. Expenses:			
(a) Finance Costs	8	2,845	2,260
(b) Other expenses	9	44,987	13,790
Total expenses		47,832	16,050
V. Loss before extraordinary items and tax		(47,832)	(16,050)
VI. Extraordinary Items		-	
VII. Loss before Tax		(47,832)	(16,050)
VIII Tax expense:		-	-
IX Loss for the period from continuing operations		(47,832)	(16,050)
X Earnings per Equity Share:			
(1) Basic		(0.96)	(0.32)
(2) Diluted		(0.96)	(0.32)
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



*(Signature)*  
 (C. H. BANDI) Partner  
 M. No. 05385



*(Signature)*  
 Director  
  
*(Signature)*  
 Director

Place of Signature : Mumbai  
 Dated : 29 APR 2013

Place of Signature : Mumbai  
 Dated :

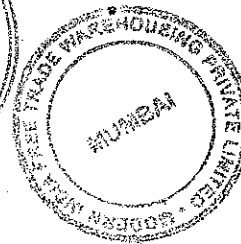
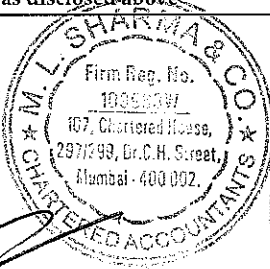
**MODERN INDIA FREE TRADE WAREHOUSING PRIVATE LIMITED**

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

	(Rs. in Lacs)		(Rs. in Lacs)	
	2012-2013		2011-2012	
<b>A. Cash Flow From Operating Activities:</b>				
Net Profit Before Tax		(0.48)		(0.16)
Add / (Less) :				
Prior Period Expenses	-	0.00	-	0.00
<b>Operating Profit/(Loss) before working Capital Changes</b>		<b>(0.48)</b>		<b>(0.16)</b>
Inventories	-		-	
Trade Receivables	-		-	
Loans & Advances	403.98		125.00	
Liabilities	(22.21)	381.77	28.43	153.43
<b>Cash Generated from Operations</b>		<b>381.29</b>		<b>153.27</b>
Direct Taxes Paid (Net)				-
<b>Net Cash Used in Operating Activities</b>		<b>381.29</b>		<b>153.27</b>
<b>B. Cash Flow from Investing Activities:</b>				
Purchase of Fixed Assets	(110.32)		-	
Capital WIP	(56.46)		(77.85)	
	-	(166.78)	-	(77.85)
<b>Net Cash Used in Investing Activities</b>		<b>(166.78)</b>		<b>(77.85)</b>
<b>C. Cash Flow from Financing Activities:</b>				
Proceeds from Bank Borrowings	-		-	
Repayment of Secured Loan	-		-	
Borrowings from Holding Company	-		-	
Borrowings Repaid to Holding Company	-		(76.60)	
Short Term Borrowings	(212.00)			
Interest Paid	-	(212.00)	-	(76.60)
Dividend Paid	-		-	
<b>Net Cash from Financing Activities</b>		<b>(212.00)</b>		<b>(76.60)</b>
<b>Net Increase/(Decrease) in Cash and Cash Equivalents (A+B+C)</b>		<b>2.51</b>		<b>(1.18)</b>
Opening Balance of Cash and Cash Equivalents	0.55		1.73	
Closing Balance of Cash and Cash Equivalents	3.06		0.55	
<b>Net Increase/(Decrease) as disclosed above</b>		<b>2.51</b>		<b>(1.18)</b>

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

**(C. D. BANDI) Partner**  
 Membership No. : 5385  
 Place of Signature : Mumbai  
 Dated : 29 APR 2013



For and on behalf of the Board

*[Signature]*  
 Director

*[Signature]*  
 Director  
 Place of Signature : Mumbai  
 Dated :

**MODERN INDIA FREE TRADE WAREHOUSING PRIVATE LIMITED**

Note No: 1 **SHARE CAPITAL**

Share Capital	As at March 31, 2013.		As at March 31, 2012.	
	Number	₹	Number	₹
<b>Authorized:</b>				
Equity Shares of ₹ 10/- each	250000	2500000	250000	2500000
		<u>2500000</u>		<u>2500000</u>
<b>Issued, Subscribed &amp; Paid-up:</b>				
Equity Shares of ₹ 10/- each	50000	500000	50000	500000
		<u>500000</u>		<u>500000</u>

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

Equity Shares	As at March 31, 2013.		As at March 31, 2012.	
	Number	Amt	Number	Amt
Shares outstanding at the beginning of the year	50000	500000	50000	500000
Shares Issued during the year	-	-	-	-
Shares bought back during the year	-	-	-	-
Shares outstanding at the end of the year	50000	500000	50000	500000

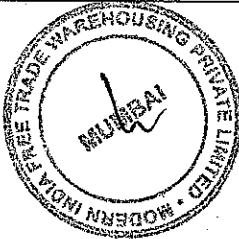
(b) Terms / Rights attached to Equity Shares:

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

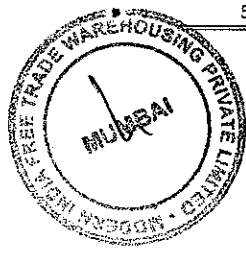
	As at March 31, 2013.		As at March 31, 2012.	
	No. of Equity Shares held	% of Holding	No. of Equity Shares held	% of Holding
Modern India Limited	25500	51	25500	51
Vijaykumar Jatia	5000	10	5000	10
Gauri Jatia	2000	4	3500	7
Vedant Jatia	5000	10	5000	10
Sidhant Jatia	5000	10	5000	10
Mudit Jatia	5000	10	5000	10



Note No:	2	Reserve & Surplus	As at March 31, 2013.	As at March 31, 2012.
		<b>Deficit in Statement of Profit &amp; Loss</b>		
		As per last balance sheet	(2,132,956)	(2,116,906)
		Add : Loss for the period	(47,832)	(16,050)
			<u>(2,180,788)</u>	<u>(2,132,956)</u>

Note No:	3	Short Term Borrowings	As at March 31, 2013.	As at March 31, 2012.
		<u>Unsecured:</u>		
		<b>(a) Loans and Advances from Related Parties</b> (Repayable on Call)		
		Modern Derivatives & Comm P Ltd Rate of interest : 11%	575,000	9,225,000
		Modern India Property Dev Ltd Rate of interest : 11%	19,390,000	30,115,000
		Shree Ranisati Invt & Fin Ltd Rate of interest : 13%	-	22,825,000
		V K Jatia Rate of interest : 11%	21,000,000	-
			<u>40,965,000</u>	<u>62,165,000</u>

Note No:	4	Other Current Liabilities	As at March 31, 2013.	As at March 31, 2012.
		(a) Tax Deducted at Source payable	564,581	778,504
		(b) Interest payables	5,081,226	7,087,900
		(c) Provision for Expenses (Audit Fees)	5,618	5,618
			<u>5,651,425</u>	<u>7,872,022</u>



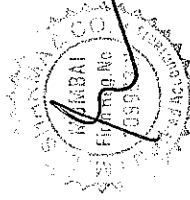
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# MODERN INDIA FREE TRADE WAREHOUSING PRIVATE LIMITED

## NOTE NO 5 : FIXED ASSETS

Sr	Particulars	Gross Block				Depreciation			Net Block		
		As on 01.04.2012	Additions	Deduction	As on 31.03.2013	upto 31.03.2012	for the year	On Deduction	upto 31.03.2013	As on 31.03.2013	As on 31.03.2012
I	<b>TANGIBLE ASSETS</b>										
1	Freehold Land	-	44,629,066	-	44,629,066	-	-	-	-	44,629,066	-
	<b>TOTAL</b>	-	44,629,066	-	44,629,066	-	-	-	-	44,629,066	-
	Previous Year	-	-	-	-	-	-	-	-	-	-
II	<b>CAPITAL WIP</b>	27,950,921	5,645,807	33,596,728	-	-	-	-	-	27,950,921	27,950,921
	Previous Year	20,165,887	7,785,034	-	27,950,921	-	-	-	-	27,950,921	20,165,887



f



Note No:		As at March 31, 2013.	As at March 31, 2012.
6	<b>Long Term Loans &amp; Advances</b>		
	Advance for Land Purchase	-	40,398,000
		<u>-</u>	<u>40,398,000</u>
7	<b>Cash and Cash Equivalents</b>		
	Balance with Schedule Bank - In Current Account	88,760	34,772
	Cash on Hand	217,811	20,373
		<u>306,571</u>	<u>55,145</u>
8	<b>Finance Cost</b>		
	Interest expense	-	2,005
	Other borrowings cost	2,845	255
		<u>2,845</u>	<u>2,260</u>
9	<b>Other Expenses:</b>		
	Rates and Taxes, excluding taxes on income	2,500	2,500
	Legal and Professional Charges	33,309	4,412
	Auditors' Remuneration: - Audit Fees	5,618	5,618
	Miscellaneous Expenses	3,560	1,260
		<u>44,987</u>	<u>13,790</u>



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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 Retirement Benefits:**

Retirement benefits are not applicable to the company.

**E Investments:**

The Company does not own any investment during the year.

**F Recognition of Income & Expenditure:**

Income & Expenditure are accounted for on accrual basis.

**G 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 Statement of Profit & Loss account.

**H 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.

**I 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.

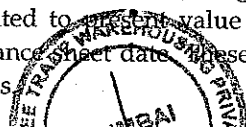
ii. intangible Assets are amortized on a systematic basis over its useful life and the amortization for each period will be recognized as per expense.

**J 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.

**K Provisions:**

A Provision is recognized when an enterprise has a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.



**L Contingent Liability:**

Contingent Liabilities are not provided for in the accounts & are disclosed by way of notes, if any.

**2 Notes on Accounts:**

**A** Rs. 56,45,807/- has been capitalized as a Borrowing Cost during the year (Previous Year Rs. 77,85,034/-). The Interest has been paid on loans taken for purchase of Land. The intended use of the Land was for setting up of Free Trade Warehousing Zone and accordingly the same was capitalized under the head Pre-Operative Expenses pending for allocation. On account of regulatory changes in various Tax Laws & withdrawal of tax benefits, plans for setting up of Free Trade Warehousing Zone are shelved.

**B** The Amount debited to Capital Work in Progress under the head Pre-Operative Expenses pending for allocation amounting to Rs. 3,35,96,728/- has been capitalised and Transfer to the Land Account.

**C DISCLOSURE OF RELATED PARTIES AND RELATED PARTY TRANSACTIONS:**

In compliance with the AS-18 "Related Party Disclosure", which has become mandatory, the required information is as under:-

**i LIST OF RELATED PARTIES:**

**Key Management Personnel & Relatives :**

- (i) Mr. V. K. Jatia - Director
- (ii) Mr. Mudit Jatia - Director

(a) Where control exists :

Modern India Limited - Holding Company.

(b) Significant Influence :

Alcyone Trading Co P Ltd  
 Camellia Mercantile P Ltd  
 Candescent Traders P Ltd  
 F Pudumjee Invt Co Ltd  
 Ignatius Trading Co P Ltd  
 Modern Derivatives & Comm P Ltd  
 Modern India Property Developers Ltd  
 Shree Ranisati Invt & Finance Ltd  
 Sarat Leasing & Finance Ltd

**ii NAME OF THE RELATED PARTIES WITH WHOM TRANSACTIONS WERE CARRIED OUT DURING THE YEAR & DESCRIPTION OF RELATIONSHIP :**

Modern India Ltd  
 Modern Derivatives & Comm P Ltd  
 Modern India Property Developers Ltd  
 Shree Ranisati Invt & Finance Ltd  
 V K Jatia

**iii AMOUNT DUE TO/FROM RELATED PARTIES AS ON MARCH 31, 2013 IS AS UNDER:**

	Nature of Transactions	Significant Influence	Holding Company	Total
1	a) Loan taken	100625000	70650000	171275000
		<i>67875000</i>	<i>58545000</i>	<i>126420000</i>
	b) Repayment etc out of Loan taken	121825000	70650000	192475000
c)	Amount of Loans taken outstanding at the end of the year	55710000	78370000	134080000
		40965500	0	40965500
		<i>62165500</i>	<i>0</i>	<i>62165500</i>
2	a) Interest on Loans taken	4229145	1416662	5645807
		<i>4840128</i>	<i>3035317</i>	<i>7875445</i>
b)	Amount of interest outstanding at the end of the year (Gross)	4229145	1416662	5645807
		<i>4831087</i>	<i>3035317</i>	<i>7866404</i>

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

**D** The Company has not recognized Deferred Tax Assets on Business Losses since they believe that Cumulative effect of such items are not reversible in the future years.



*[Handwritten signature]*

**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 31.03.2013	Year ended 31.03.2012
Net Profit available for equity shareholders	(47832)	(16050)
Weighted average number of equity share outstanding	50000	50000
Basic/Diluted Earning per Share (on nominal value of Rs 10/- per share)	(0.96)	(0.32)

F The net worth of the company is negative to the extent of Rs.16.81 Lacs (Previous year Rs 16.33 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 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.P. BANDI) Partner  
M. No. 05385  
Place of Signature : Mumbai  
Dated : 29 APR 2013



**For Modern India Free Trade  
Warehousing Pvt. Ltd**

*[Signature]*  
Director

*[Signature]*  
Director

Place of Signature : Mumbai  
Dated :