

**MODERN INDIA FREE TRADE WAREHOUSING PRIVATE LIMITED**

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

**NOTICE**

**NOTICE** is hereby given that the 6th 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 22<sup>nd</sup> July, 2014 at 9.30 a.m.** to transact the following business:-

**ORDINARY BUSINESS:**

1. To receive, consider and adopt the audited Balance Sheet as at 31st March, 2014 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 N.K. Deora 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: 16.05.2014

  
**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.

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

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

**DIRECTORS' REPORT**

To,  
The Members,

The Directors have pleasure in submitting the 6th Annual Report on the working of the Company together with the audited accounts for the period ended on **31<sup>st</sup> March, 2014**.

**FINANCIAL RESULTS**

Particulars	For the Year Ended 31.03.2014 (Rs.)	For the Year Ended 31.03.2013 (Rs.)
Profit/(Loss) before tax	(5,19,889)	(47,832)
Provision for tax	-	-
Profit/(Loss) after tax	(5,19,889)	(47,832)
Add : Balance B/f from last year	(21,80,788)	(21,32,956)
Balance C/f to Balance Sheet	(27,00,677)	(21,80,788)
Basic/Diluted Earning per Share	(10.40)	(0.96)

**DIVIDEND**

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

**DIRECTORS:**

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

**AUDITORS**

Members are requested to appoint Auditors and fix their remuneration. The present Auditors, Messres 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. It is must noted that according to the new Companies Act 2013, an auditor can be the auditor of the company for a period of 10 years, thereafter the auditor will be required to relinquish his position, In our case M/s M L Sharma & Co Chartered Accountant have been auditors for a perod of 5 years and hence they are eligible for being reappointed for a term of 5 years. In view of the same, it is proposed to reappoint Messrs M. L. Sharma & Co Chartered Accountants as Statutory Auditor of the Company for a further period of 5 years subject to ratification at every annual general meeting.

Members are requested to appoint Auditors and fix their remuneration.



## **PARTICULARS OF EMPLOYEES**

There were no employees receiving remuneration as prescribed under Section 134 of the Companies Act, 1956, during the period under review, hence the companies (Particulars of Employees) Rule, 1975 do not apply to the Company.

## **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 134 of the Companies Act, 2013 read with the provision of Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988.

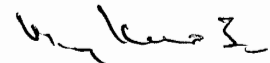
There has been neither any earning nor outgoing of foreign exchange during the year under review.

## **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, 2014 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, and the Companies Act, 2013 (wherever applicable) 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.
- v) The directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

For and on behalf of the Board of Directors



**Vijay Kumar Jatia**  
Chairman

**Place: Mumbai**  
Date: 16.05.2014

**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

1. We have audited the accompanying financial statements of **MODERN INDIA FREE TRADE WAREHOUSING PRIVATE LIMITED**, which comprise the Balance Sheet as at **March 31, 2014**, 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

2. 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") read with the General Circular 15/2013 dated 13<sup>th</sup> September, 2013 of the Ministry of Corporate Affairs in respect of section 133 of the Companies Act, 2013. 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

3. 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.
4. 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, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. 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.
5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.



## Opinion

6. In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
- (a) In the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2014;
  - (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

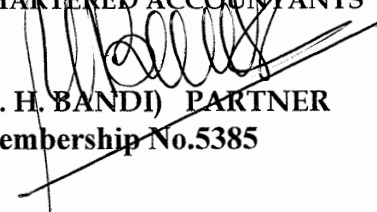
7. As required by the Companies (Auditor's Report) Order, 2003; as amended by the Companies (Auditor's Report) (Amendment) Order, 2004 issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act (hereinafter referred to as the "Order"), and on the basis of such checks of the Books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
8. 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 read with the General Circular 15/2013 dated 13<sup>th</sup> September, 2013 of the Ministry of Corporate Affairs in respect of section 133 of the Companies Act, 2013;
  - e. on the basis of written representations received from the directors as on March 31, 2014, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2014, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

**Place of Signature:**

**Date:** 16 MAY 2014



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

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

## ANNEXURE TO THE INDEPENDENT AUDITORS REPORT

### Annexure referred to in Paragraph 7 of the Auditors' Report of even date to the Members of MODERN INDIA FREE TRADE WAREHOUSING PVT LTD on the Financial Statements as of and for the year ended 31st March, 2014.

- 1)
  - a) The Company is maintaining proper records showing full particulars, Including quantitative details and situation of Fixed Assets.
  - b) As explained to us, the said Fixed Assets have been physically verified by the Management during the year which is reasonable and no material discrepancies have been noticed on such verification.
  - c) The Company has not disposed of any Substantial/Major part of Fixed Assets during the year.
- 2)
  - a) The Company has not granted any loans, secured or unsecured to the Companies, Firms or other parties listed in the register maintained under section 301 of the Companies Act, 1956. Accordingly, clause (b) to (d) of the Order is not applicable.
  - e) The Company has taken Unsecured Loan from Four parties listed in the register maintained under section 301 of the Companies Act, 1956. The maximum amount involved during the year was Rs. 6,12,22,607/- and the balance of Loan taken from such parties was NIL as on 31st March, 2014.
  - f) In our opinion, the rate of Interest wherever stipulated and other terms and conditions on which Loans have been taken from the Companies, Firms or other parties listed in the Register maintained under Section 301 of the Companies Act, 1956 are not prima facie, prejudicial to the interest of the Company.
  - g) Payment of principal amount and interest are regular wherever stipulated.
- 3) In our opinion and according to the information and explanations given to us, there is an adequate Internal Control system commensurate with the size of the Company and the nature of its business. Further on the basis of our examination of the Books and records of the Company and according to the information and explanation given to us, we have neither come across, nor have been informed of, any continuing failure to correct major weaknesses in the aforesaid Internal control System.
- 4) In our opinion and according to the information and explanations given to us there are no particulars of contract or arrangements that need to be entered in to a register maintained under section 301 of the Companies Act, 1956 and accordingly provision of clause (b) of the order is not applicable



- 5) In our opinion and according to the explanations given to us, the Company has not accepted any deposits from the public to which the provisions of section 58A, 58AA and any other relevant provision of the Companies Act, 1956 and the rules framed there under apply.
- 6) We have been informed that, as the Company's internal control system ensure reasonable checking of its financial and other records the Company has not yet started a formal Internal Audit Department.
- 7)
  - 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 31st March, 2014 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 information and explanations given to us and the books and records examined by us, there are no disputed amounts payables for Income Tax, Wealth Tax, Sales Tax, Service Tax and Cess etc.
- 8) The Company has incurred cash losses during the current Financial Year as well as in the immediately preceding Financial Year however its accumulated losses are not more than fifty percent of its net worth as at the end of the Current Financial Year.
- 9) The Company has not granted any Loans and Advances to any party on the basis of Security by way of pledge of shares, debentures and other securities and accordingly the provisions of clause 4 (xii) of the order are not applicable to the Company.
- 10) The company is not a chit fund or a Nidhi/mutual benefit fund/society and accordingly the provisions of clause 4 (xiii) of the order are not applicable to the Company.
- 11) In our opinion, and according to the information and explanations given to us, the Company has not given any guarantee for loans taken by other parties from Bank and Financial Institutions during the year and accordingly the provisions of clause 4 (xv) of the order are not applicable to the Company.
- 12) According to the information and explanations given to us and on an overall examination of the Balance Sheet of the Company, we report that the funds raised on short term basis have prima facie not been used for Long-term Investments.



- 13) 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. However during the year the Company has issued 4,75,000 9% Redeemable Non- Cumulative Preference Shares at face value of Rs.100 each to its Holding Company Modern India Limited.
- 14) The company has not raised any money by way of public issue during the year and accordingly the provisions of clause 4 (xx) of the order are not applicable to the Company.
- 15) According to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the year.
- 16) Matters Specified in Clauses 4 (ii), 4 (viii), 4 (xi), 4 (xiv), 4 (xvi) and 4 (xix) of the said Order are either Nil or Not Applicable to the Company.



**Place of Signature:**  
Dated: 16 MAY 2014

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

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




**MODERN INDIA FREE TRADE WAREHOUSING PRIVATE LIMITED**

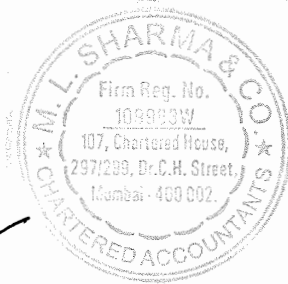
**Balance Sheet as at 31st March, 2014.**

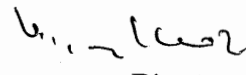
(Amount in Rs.)

Particulars	Note No.	As at March 31, 2014.	As at March 31, 2013.
<b>I. EQUITY AND LIABILITIES</b>			
(1) Shareholders' Funds:			
(a) Share Capital	1	4,80,00,000	5,00,000
(b) Reserves & Surplus	2	(27,00,677)	(21,80,788)
		<b>4,52,99,323</b>	<b>(16,80,788)</b>
(2) Current Liabilities:			
(a) Short-term Borrowings	3	-	4,09,65,000
(b) Other Current Liabilities	4	11,236	56,51,425
		<b>11,236</b>	<b>4,66,16,425</b>
<b>TOTAL</b>		<b>4,53,10,559</b>	<b>4,49,35,637</b>
<b>II. ASSETS</b>			
(1) Non-current Assets			
(a) Fixed Assets			
(i) Tangible Assets	5	4,51,20,808	4,46,29,066
		<b>4,51,20,808</b>	<b>4,46,29,066</b>
(2) Current Assets:			
(a) Cash and cash equivalents	6	1,89,751	3,06,571
		<b>1,89,751</b>	<b>3,06,571</b>
<b>TOTAL</b>		<b>4,53,10,559</b>	<b>4,49,35,637</b>
Summary of Significant Accounting Policies	8		
The accompanying notes are an integral part of the financial statements			

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

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



  
 Director

  
 Director

Place of Signature : Mumbai

Dated : **16 MAY 2014**

Place of Signature : Mumbai

Dated : **16 MAY 2014**

**MODERN INDIA FREE TRADE WAREHOUSING PRIVATE LIMITED**

**Statement of Profit and Loss for the Year ended 31st March, 2014**

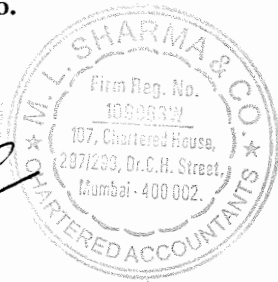
(Amount in Rs.)

	Note No.	2013-14	2012-13
I. Revenue from Operations		-	-
II. Other Income		-	-
III. Total Revenue ( I + II )		-	-
IV. Expenses:			
(a) Other expenses	7	5,19,889	47,832
Total expenses		5,19,889	47,832
V. Loss before extraordinary items and tax		(5,19,889)	(47,832)
VI. Extraordinary Items		-	
VII. Loss before Tax		(5,19,889)	(47,832)
VIII Tax expense:		-	-
IX Loss for the period from continuing operations		(5,19,889)	(47,832)
X Earnings per Equity Share:			
(1) Basic		(10.40)	(0.96)
(2) Diluted		(10.40)	(0.96)
Summary of Significant Accounting Policies	8		
The accompanying notes are an integral part of the financial statements			

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

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

Place of Signature : Mumbai  
 Dated : **16 MAY 2014**



*(Signature)*  
 Director

*(Signature)*  
 Director

Place of Signature : Mumbai  
 Dated : **16 MAY 2014**

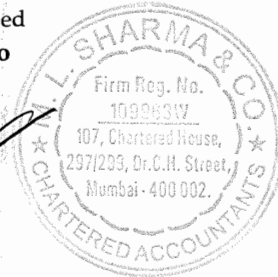
**MODERN INDIA FREE TRADE WAREHOUSING PRIVATE LIMITED**

**CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2014.**

	(Rs. in Lacs)		(Rs. in Lacs)	
	2013-2014		2012-2013	
<b>A. Cash Flow From Operating Activities:</b>				
Net Profit Before Tax		(5.20)		(0.48)
Add / (Less) :				
Prior Period Expenses	-	-	-	-
<b>Operating Profit/(Loss) before working Capital Changes</b>		(5.20)		(0.48)
Inventories	-	-	-	-
Trade Receivables	-	-	-	-
Loans & Advances	-	-	403.98	-
Liabilities	(56.40)	(56.40)	(22.21)	381.77
<b>Cash Generated from Operations</b>		(61.60)		381.29
Direct Taxes Paid (Net)		-		-
<b>Net Cash Used in Operating Activities</b>		(61.60)		381.29
<b>B. Cash Flow from Investing Activities:</b>				
Purchase of Fixed Assets (Capital W.I.P.)	-	-	-	-
Purchase of Investments	-	-	-	-
Purchase of Fixed Assets	(4.92)	-	(110.32)	-
Refund of Loan	-	-	-	-
Loan to Limited Company	-	-	-	-
Income from Financing Activity	-	-	-	-
Capital WIP	-	-	(56.46)	-
		(4.92)	-	(166.78)
<b>Net Cash Used in Investing Activities</b>		(4.92)		(166.78)
<b>C. Cash Flow from Financing Activities:</b>				
Shares Issued	475.00	-	-	-
Proceeds from Bank Borrowings	-	-	-	-
Repayment of Secured Loan	-	-	-	-
Borrowings from Holding Company	-	-	-	-
Borrowings Repaid to Holding Company	-	-	-	-
Short Term Borrowings	(409.65)	-	(212.00)	-
Interest Paid	-	65.35	-	(212.00)
Dividend Paid	-	-	-	-
<b>Net Cash from Financing Activities</b>		65.35		(212.00)
<b>Net Increase/(Decrease) in Cash and Cash Equivalents (A+B+C)</b>		(1.17)		2.51
Opening Balance of Cash and Cash Equivalents	3.07	-	0.55	-
Closing Balance of Cash and Cash Equivalents	1.90	-	3.06	-
<b>Net Increase/(Decrease) as disclosed above</b>		(1.17)		2.51

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

**(C. H. BANDI) Partner**  
 Membership No. : 5385  
 Place of Signature : Mumbai  
 Dated: **16 MAY 2014**



For and on behalf of the Board

*[Signature]*  
 Director

*[Signature]*  
 Director

Place of Signature : Mumbai

Dated: **16 MAY 2014**

**MODERN INDIA FREE TRADE WAREHOUSING PRIVATE LIMITED**

Note No: 1 SHARE CAPITAL

Share Capital	As at March 31, 2014.		As at March 31, 2013.	
	Number	₹	Number	₹
<b>Authorized:</b>				
Equity Shares of ` 10/- each	250000	25,00,000	250000	25,00,000
Preference Shares of 100/- each	475000	4,75,00,000	-	-
		<u>5,00,00,000</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
9% Non-Cumulative Redeemable Preference Shares of Rs 100/- each	475000	4,75,00,000	-	-
		<u>4,80,00,000</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, 2014.		As at March 31, 2013.	
	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

Preference Shares	As at March 31, 2014.		As at March 31, 2013.	
	Number	Amt	Number	Amt
Shares outstanding at the beginning of the year	-	-	-	-
Shares Issued during the year	4,75,000	4,75,00,000	-	-
Shares bought back during the year	-	-	-	-
Shares outstanding at the end of the year	4,75,000	4,75,00,000	-	-

(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.
- The Company has only one class of Preference Shares i.e. 9% Redeemable Non-Cumulative Preference Share having a par value of Rs. 100/- per Share. These are redeemable on or before expiry of 20 year from the date of allotment as decided by Board of Directors.

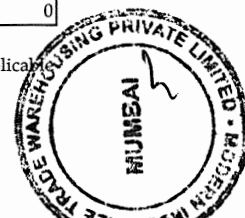
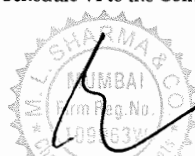
(c) 25,500 Equity Shares and Entire Preference Share Capital are held by its Holding Company Modern India Limited.

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

Equity Shares	As at March 31, 2014.		As at March 31, 2013.	
	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	3500	7	3500	7
Vedant Jatia	5000	10	5000	10
Sidhant Jatia	5000	10	5000	10
Mudit Jatia	5000	10	5000	10

Preference Shares	As at March 31, 2014.		As at March 31, 2013.	
	No. of Preference Shares held	% of Holding	No. of Preference Shares held	% of Holding
Modern India Limited	475000	100	0	0

(e) Other disclosure pursuant to Note no. 6 of Part I of Schedule VI to the Companies Act, 1956 is either Nil or not applicable to the Company.



Note No: 2	<b>Reserve &amp; Surplus</b>	<u>As at March 31, 2014.</u>	<u>As at March 31, 2013.</u>
	<b>Deficit in Statement of Profit &amp; Loss</b>		
	As per last balance sheet	(21,80,788)	(21,32,956)
	Add : Loss for the period	<u>(5,19,889)</u>	<u>(47,832)</u>
		<u><u>(27,00,677)</u></u>	<u><u>(21,80,788)</u></u>

Note No: 3	<b>Short Term Borrowings</b>	<u>As at March 31, 2014.</u>	<u>As at March 31, 2013.</u>
	<b>Unsecured:</b>		
	<b>(a) Loans and Advances from Related Parties</b> (Repayable on Call)		
	Modern Derivatives & Comm P Ltd Rate of interest : 11%	-	5,75,000
	Modern India Property Dev Ltd Rate of interest : 11%	-	1,93,90,000
	V K Jatia Rate of interest : 11%	-	2,10,00,000
		<u>-</u>	<u>4,09,65,000</u>
		<u><u>-</u></u>	<u><u>4,09,65,000</u></u>

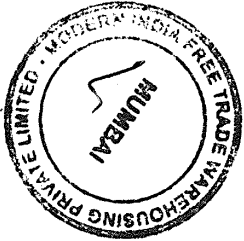
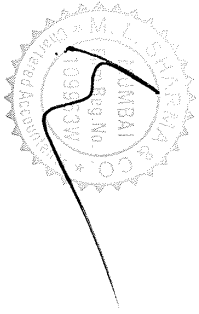
Note No: 4	<b>Other Current Liabilities</b>	<u>As at March 31, 2014.</u>	<u>As at March 31, 2013.</u>
	(a) Tax Deducted at Source payable	-	5,64,581
	(b) Interest payables	-	50,81,226
	(c) Provision for Expenses (Audit Fees)	11,236	5,618
		<u>11,236</u>	<u>56,51,425</u>
		<u><u>11,236</u></u>	<u><u>56,51,425</u></u>



# MODERN INDIA FREE TRADE WAREHOUSING PRIVATE LIMITED

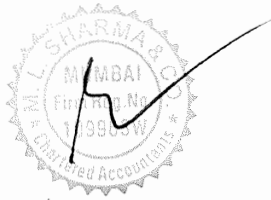
## NOTE NO 5 : FIXED ASSETS

Sr	Particulars	Gross Block				Depreciation				Net Block	
		As on 31.03.2013	Additions	Deduction	As on 31.03.2014	upto 31.03.2013	for the year	On Deduction	upto 31.03.2014	As on 31.03.2014	As on 31.03.2013
I	TANGIBLE ASSETS										
1	Freehold Land	4,46,29,066	4,91,742	-	4,51,20,808	-	-	-	-	4,51,20,808	-
	T O T A L	4,46,29,066	4,91,742	-	4,51,20,808	-	-	-	-	4,51,20,808	-
	Previous Year	-	4,46,29,066	-	4,46,29,066	-	-	-	-	4,46,29,066	



Note No: 6	Cash and Cash Equivalents	As at March 31, 2014.	As at March 31, 2013.
	Balance with Schedule Bank		
	- In Current Account	1,74,545	88,760
	Cash on Hand	15,206	2,17,811
		<u>1,89,751</u>	<u>3,06,571</u>

Note No: 7	Other Expenses:	As at March 31, 2014.	As at March 31, 2013.
	Rates and Taxes, excluding taxes on income	2,500	2,500
	Legal and Professional Charges	50,557	33,309
	Auditors' Remuneration:		
	- Audit Fees	11,236	5,618
	Miscellaneous Expenses	3,375	1,060
	Bank Charges	209	2,845
	Filing Fees	7,500	2,500
	Share Issue Expenses	4,42,500	-
	Interes on TDS	2,012	-
		<u>5,19,889</u>	<u>47,832</u>



## 1 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 read with the General Circular 15/2013 dated 13th September, 2013 of the Ministry of Corporate Affairs in respect of section 133 of the Companies Act, 2013.

### 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:

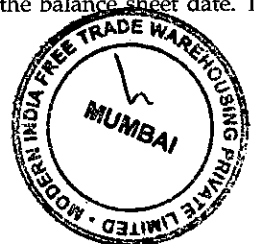
Impairment loss is recognized wherever the carrying amount of an asset is in excess of its recoverable amount and the same is recognized as an expense in the statement of profit and loss and carrying amount of the asset is reduced to its recoverable amount. Reversal of impairment losses recognized in 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. 4,91,742/- has been capitalized as a Borrowing Cost during the year (Previous Year Rs. 56,45,807/-). 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 Land Purchased - Raigad. 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 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 :

- (i) Alcyone Trading Co P Ltd  
(ii) Camellia Mercantile P Ltd  
(iii) Candescent Traders P Ltd  
(iv) F Pudumjee Invt Co Ltd  
(v) Ignatius Trading Co P Ltd  
(vi) Modern Derivatives & Comm P Ltd  
(vii) Modern India Property Developers Ltd  
(viii) Shree Ranisati Invt & Finance Ltd  
(ix) Sarat Leasing & Finance Ltd

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

- (i) Modern India Ltd  
(ii) Modern Derivatives & Comm P Ltd  
(iii) Modern India Property Developers Ltd  
(iv) V K Jatia

### iii TRANSACTION CARRIED OUT FROM RELATED PARTIES DURING THE YEAR 2013-14.

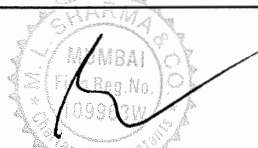
	Nature of Transactions	Significant Influence				Holding Company	Total
		Modern Derivatives	Modern & Property	Shree Ranisati Invt & Fin Ltd	V K Jatia		
1 a)	Loan taken	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	21007607	21007607
		<i>2050000</i>	<i>19450000</i>	<i>58125000</i>	<i>21000000</i>	<i>70650000</i>	<i>171275000</i>
b)	Repayment etc out of Loan taken	<i>575000</i>	<i>19390000</i>	<i>0</i>	<i>21000000</i>	21007607	61972607
		<i>10700000</i>	<i>30175000</i>	<i>80950000</i>	<i>0</i>	<i>70650000</i>	<i>192475000</i>
c)	Interest on Loans taken	<i>5538</i>	<i>5844</i>	<i>0</i>	<i>239288</i>	241072	491742
		<i>752257</i>	<i>2243081</i>	<i>1208492</i>	<i>25315</i>	<i>1416662</i>	<i>5645807</i>
e)	Interest on Loan paid	<i>757795</i>	<i>2248925</i>	<i>1208492</i>	<i>264603</i>	1657734	6137549
		<i>783547</i>	<i>3776223</i>	<i>271317</i>	<i>0</i>	<i>3035317</i>	<i>7866404</i>
d)	Preference Share Issued	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	47500000	47500000
		<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>

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

### iv AMOUNT DUE TO/FROM RELATED PARTIES AS ON MARCH 31, 2014 IS AS UNDER:

	Nature of Transactions	Significant Influence				Holding Company	Total
		Modern Derivatives	Modern & Property	Shree Ranisati Invt & Fin Ltd	V K Jatia		
1 a)	Amount of Loans taken outstanding at the end of the year	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	0	0
		<i>575000</i>	<i>19390000</i>	<i>0</i>	<i>21000000</i>	<i>0</i>	<i>40965000</i>
b)	Amount of interest outstanding at the end of the year (Gross)	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	0	0
		<i>752257</i>	<i>2243081</i>	<i>1208492</i>	<i>25315</i>	<i>1416662</i>	<i>5645807</i>
c)	Amount of Preference Shares outstanding at the end of the year	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	47500000	47500000
		<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>

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



E 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.

F **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	Year ended
	31.03.2014	31.03.2013
Net Profit available for equity shareholders	(519889)	(47832)
Weighted average number of equity share outstanding	50000	50000
Basic/Diluted Earning per Share (on nominal value of Rs 10/- per share)	(10.40)	(0.96)

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 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.

I 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**

Firm Reg. No 109963W  
Chartered Accountants

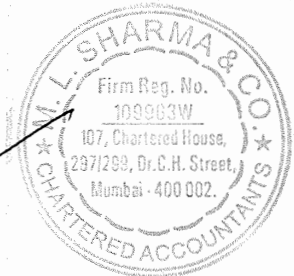


(C. H. BANDI) Partner

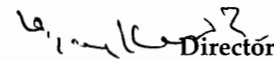
M. No. 05385

Place of Signature : Mumbai

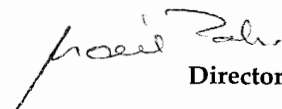
Dated : **16 MAY 2014**



For Modern India Free Trade  
Warehousing Pvt. Ltd



Director



Director

Place of Signature : Mumbai

Dated **16 MAY 2014**