

MODERN INDIA FREE TRADE WAREHOUSING PRIVATE LIMITED

THIRD ANNUAL REPORT

2010 - 2011

BOARD OF DIRECTORS

VIJAY KUMAR JATIA
MUDIT JATIA
ANIKET S. TATKARE

CHAIRMAN

BANKER

PUNJAB NATIONAL BANK

AUDITORS

M/S. M. L. SHARMA & Co.

REGISTERED OFFICE

MODERN CENTRE
SANE GURUJI MARG
MAHALAXMI
MUMBAI - 400 011.


NOTICE

NOTICE is hereby given that the 3rd 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 Saturday, the 16th July, 2011 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, 2011 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. Aniket Tatkare 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



Vijay Kumar Jatia
Chairman

Place: Mumbai
Date: 29th April, 2011

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 3rd Annual Report on the working of the Company together with the audited accounts for the period ended on 31st March, 2011.

FINANCIAL RESULTS

Particulars	For the Year Ended 31.03.2011 (Rs.)	For the Year Ended 31.03.2010 (Rs.)
Profit/(Loss) before tax	(21,03,876)	(6,530)
Provision for tax	-	-
Profit/(Loss) after tax	(21,03,876)	(6,530)
Add : Balance B/f from last year	(13,030)	(6,500)
Balance C/f to Balance Sheet	(21,16,906)	(13,030)
Basic/Diluted Earning per Share	(42.08)	(00.13)

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 two years.

DIRECTORS

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

AUDITORS' APPOINTMENT

The previous Auditors, M/s. A.K. Purohit & Co., Chartered Accountants, resigned and new Auditors - M/s. M. L. Sharma & Co. were appointed in the Extra Ordinary General Meeting on 7th October, 2010 to hold office until the conclusion of the ensuing 3rd Annual General Meeting. They, being eligible, offer themselves for re-appointment. Members are requested to appoint Auditors and to fix their remuneration.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION & FOREIGN EXCHANGE EARNINGS AND OUTGO

The nature of the Company's activities is such that the 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 do not apply to the Company.

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

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 31st March, 2011 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.

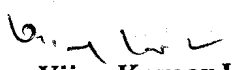
For and on behalf of the Board of Directors

Place: Mumbai

Date: 29th April, 2011.

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

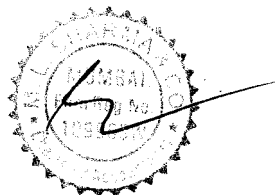
We have audited the attached Balance Sheet of MODERN INDIA FREE TRADE WAREHOUSING PRIVATE LIMITED as at 31st March, 2011, the annexed profit and Loss Account for the year ended on that date, and also the Cash Flow Statement for the year ended on that date. These financial statements are the responsibility 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.

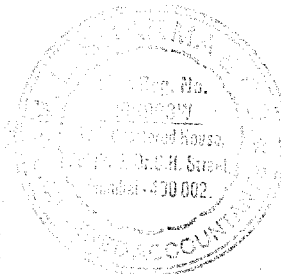
Further to our comments in the Annexure referred to above, we report that:

- (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, the Profit and Loss Account 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, the Profit and Loss Account 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 31st march, 2011, and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March, 2011 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 E & 2 G REGARDING PRELIMINARY & PRE-OPERATIVE EXPENSES, DEFERRED TAX & SOLVENCY OF THE COMPANY RESPECTIVELY**, read together with notes thereon, appearing in schedule of Accounting Policies & Notes on Accounts 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;
- a. In the case of Balance Sheet, of the state of affairs of the Company as at 31st March, 2011;
 - b. In the case of the Profit and Loss account, of the Loss for the year ended on that date; and
 - c. In the case of the Cash Flow Statement of the Cash Flow for the year ended on that date.

Place : Mumbai
Date : 29 APR 2011



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


(C. H. 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 31st March, 2011.

- 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) The Company has disposed off Motor car during the year, which has not 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 9 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. 21.04 Crores and the year-end balance of loan taken from such parties was Rs.6.98 Crores;
- (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 31st March, 2011 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.

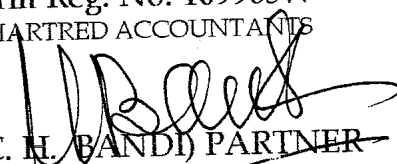


- 13) In our opinion, the Company is not a chit fund or a nidhi / mutual benefit fund / society. Therefore Clause 4 (XIII) of the Companies (Auditor's Report) Order 2003 does not apply to the Company.
- 14) According to information and explanations given to us, the company has not given any guarantee 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 : 29 APR 2011



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

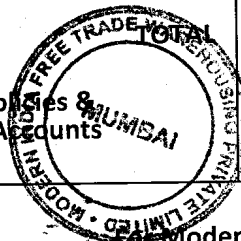

(C. H. BANDI) PARTNER
M. N. 5385

MODERN INDIA FREE TRADE WAREHOUSING PRIVATE LIMITED

Balance Sheet as at 31st March, 2011.

PARTICULARS	SCH	As at 31st March, 2011 Amount(Rs.)	As at 31st March, 2010 Amount(Rs.)
SOURCES OF FUNDS :			
SHARE HOLDER'S FUNDS :			
Share capital	1	5,00,000	5,00,000
LOAN FUNDS :			
Secured Loan	2	-	4,56,419
Unsecured Loan	3	6,98,25,000	5,93,75,000
TOTAL		7,03,25,000	6,03,31,419
APPLICATION OF FUNDS :			
FIXED ASSETS :			
Gross Block	4	-	12,80,388
Less: Depreciation		-	4,82,933
Net Block		-	7,97,455
Pre-Operative Expenses Pending Allocation	5	2,01,65,887	1,39,06,043
CURRENT ASSETS AND LOANS & ADVANCES :			
Cash & bank balances	6	1,73,471	26,837
Loans & Advances	7	5,28,98,000	5,32,18,668
	[A]	5,30,71,471	5,32,45,505
CURRENT LIABILITIES AND PROVISIONS :			
Current Liabilities & Provisions	8	50,29,264	76,85,442
	[B]	50,29,264	76,85,442
NET CURRENT ASSETS	[A] - [B]	4,80,42,207	4,55,60,063
MISCELLANEOUS EXPENDITURE			
(To the extent not written off or adjusted)	9	-	54,828
PROFIT & LOSS A/C	10	21,16,906	13,030
		7,03,25,000	6,03,31,419
	12		

Significant Accounting Policies & Notes to Accounts



As per our report of even date.

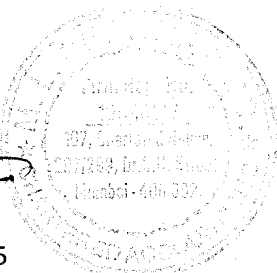
For M.L.Sharma & Co
Chartered Accountants
Firm Reg. No 109963W

(Signature)
C. H. BANDI (Partner)

Membership No. : 5385

Place : Mumbai

Dated : 29 APR 2011



For Modern India Free Trade Warehousing Pvt. Ltd.

(Signature)
Chairman

(Signature)
Director

Place : Mumbai

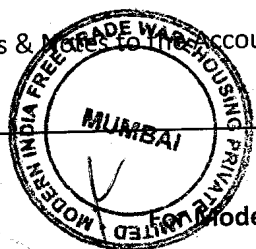
Dated : 29 APR 2011

Director

MODERN INDIA FREE TRADE WAREHOUSING PRIVATE LIMITED

Profit & Loss Account for the Year ended 31st March, 2011

PARTICULARS	SCH	For the Year ended 31st March 2011 Amount(Rs.)	For the Year ended 31st March 2010 Amount(Rs.)
<u>INCOME</u>			
Profit/(Loss) on Sale of Fixed Assets		4,019	-
TOTAL		4,019	-
<u>EXPENDITURE</u>			
Administrative & Other Establishment Expenses	11	60,481	6,530
Prior-period Expenses	12	19,41,112	-
Depreciation		51,474	-
Miscellaneous Expenditure W/off		54,828	-
		21,07,895	6,530
PROFIT / (LOSS) BERORE TAX		(21,03,876)	(6,530)
Provision for Taxation		-	-
		(21,03,876)	(6,530)
(+) / (-) B/f from last year		(13,030)	(6,500)
<u>SURPLUS / (DEFICIT) FOR APPROPRIATION</u>		(21,16,906)	(13,030)
<u>BALANCE C / F TO BALANCE SHEET</u>		(21,16,906)	(13,030)
<u>EARNING PER SHARE</u>			
(Refer Note No 2F of Shedule 13) Basic/Diluted earning per share		(42.08)	(0.13)
Significant Accounting Policies & Accounts	13		



As per our report of even date.
For M.L.Sharma & Co
 Chartered Accountants
 Firm Reg. No 109963W

(Signature)
C. H. BANDI (Partner)
 Membership No. : 5385
 Place : Mumbai
 Dated : 29 APR 2011

Modern India Free Trade Warehousing Pvt. Ltd.
(Signature)
Chairman
(Signature)
Director
 Place : Mumbai
 Dated : 29 APR 2011

Director

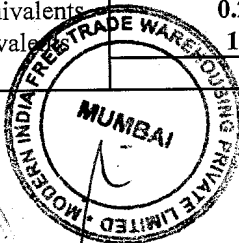
MODERN INDIA FREE TRADE WAREHOUSING PRIVATE LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2011.

	(Rs. in Lacs)	(Rs. in Lacs)
A. Cash Flow From Operating Activities:	2010-2011	2009-2010
Net Profit Before Tax	(21.08)	(0.07)
Add / (Less) :		
Depreciation	0.51	-
Investment Income	-	-
Interest Income	-	-
Income from Financing Activity	-	-
Interest Expenses	-	-
Loss on sale of Fixed Assets	0.04	-
Preliminary Expenses W/off	0.55	-
Prior Period Expenses	19.41	-
	20.51	0.00
Operating Profit/(Loss) before working Capital Changes	(0.56)	(0.07)
Inventories	-	-
Trade Receivables	(82.01)	-
Other Receivables	3.21	(73.30)
Liabilities	(26.56)	30.93
	(105.92)	(42.44)
Cash Generated from Operations	(105.92)	(42.44)
Direct Taxes Paid (Net)	-	-
Net Cash Used in Operating Activities	(105.92)	(42.44)
B. Cash Flow from Investing Activities:		
Purchase of Fixed Assets	-	-
Purchase of Investments	-	-
Sale of Fixed Assets	7.46	-
Refund of Loan	-	-
Loan to Limited Company	-	-
Income from Financing Activity	-	-
Interest Received	7.46	-
	7.46	-
Net Cash Used in Investing Activities	7.46	-
C. Cash Flow from Financing Activities:		
Proceeds from Bank Borrowings	-	-
Repayment of Secured Loan	(4.56)	(3.12)
Borrowings from Holding Company	104.50	50.75
Borrowings Repaid to Holding Company	-	-
Short Term Borrowings	-	-
Interest Paid	-	-
Dividend Paid	99.94	47.63
	99.94	47.63
Net Cash from Financing Activities	99.94	47.63
Net Increase/(Decrease) in Cash and Cash Equivalents (A+B+C)	1.47	5.19
Opening Balance of Cash and Cash Equivalents	0.27	(4.93)
Closing Balance of Cash and Cash Equivalents	1.73	0.26
Net Increase/(Decrease) as disclosed above	1.47	5.19

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 : 29 APR 2011



For and on behalf of the Board

(Signature)
Chairman

(Signature)
Director

Director

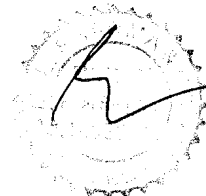
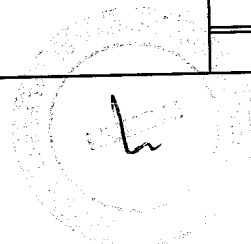
Place : Mumbai

Dated : 29 APR 2011

MODERN INDIA FREE TRADE WAREHOUSING PRIVATE LIMITED

Schedules Forming part of Balance Sheet as at 31st March 2011.

PARTICULARS	As at 31st March, 2011 Amount(Rs.)	As at 31st March, 2010 Amount(Rs.)
<u>SCHEDULE 1:</u>		
<u>SHARE CAPITAL</u>		
<u>Authorised Share Capital</u>		
2,50,000 Equity Shares of Rs. 10/- each	25,00,000	25,00,000
	25,00,000	25,00,000
 <u>Issued, Subscribed & Paid up Capital</u>		
5,00,000 Equity Shares of Rs. 10/- each fully paid up (25500 Equity Shares of Rs. 10/- each fully paid up are held by Modern India Ltd - Holding Company)	5,00,000	5,00,000
	5,00,000	5,00,000
 <u>SCHEDULE 2:</u>		
<u>SECURED LOANS</u>		
From Bank - Car Loan (Secured by Hypothication of Car in favour of Bank)	-	4,56,419
	-	4,56,419
 <u>SCHEDULE 3:</u>		
<u>UNSECURED LOANS</u>		
Loan from - Limited Company	5,00,00,000	-
Loan from - Holding Company	1,98,25,000	5,93,75,000
	6,98,25,000	5,93,75,000

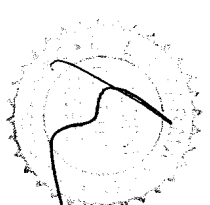


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MODERN INDIA FREE TRADE WAREHOUSING PRIVATE LIMITED

SCHEDULE 4 : FIXED ASSETS

sr	Particulars	Rates in %	Gross Block				Depreciation				Net Block	
			As on 01.04.2010	Addition / Deduction	As on 31.03.2011	upto 31.03.2010	for the year	On Deduction	upto 31.03.2011	As on 31.03.2011	As on 31.03.2010	
1	MOTOR CAR	25.89	12,80,388	-	12,80,388	4,82,933	51,474	5,34,407	-	7,97,455		
	TOTAL		12,80,388	-	12,80,388	4,82,933	51,474	5,34,407	-	7,97,455		
	Previous Year		12,80,388	-	12,80,388	-	2,78,588	-	4,82,933	7,97,455		



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MODERN INDIA FREE TRADE WAREHOUSING PRIVATE LIMITED

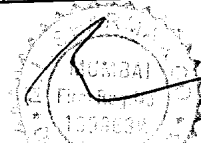
Schedules Forming part of Balance Sheet as at 31st March 2011.

PARTICULARS	As at 31st March, 2011 Amount(Rs.)	As at 31st March, 2010 Amount(Rs.)
SCHEDULE 5:		
<u>PRE-OPERATIVE EXPENSES PENDING ALLOCATION</u>		
Business Promotion Expenses	-	1,41,285
Conveyance Expenses	-	39,014
Depreciation	-	4,82,933
Foreign Travelling - Fare	-	3,54,985
Interest on Car Loan	-	85,119
Interest paid	2,01,65,887	1,22,74,506
Motor Car Exp.	-	3,41,257
Other Miscellaneous Expenses	-	39,338
Preliminary Expenses W/Off	-	13,706
Professional Fees	-	1,20,000
Travelling - Local Conveyance	-	13,900
	2,01,65,887	1,39,06,043
SCHEDULE 6:		
<u>CASH & BANK BALANCES</u>		
Cash on hand	21,633	14,355
Balances with Schedule Bank In Current Account	1,51,838	12,482
	1,73,471	26,837
SCHEDULE 7:		
<u>LOANS & ADVANCES</u>		
(Unsecured Considered Goods)		
Advances Recoverable in Cash or in kind for value to be received)	5,28,98,000	5,32,18,668
	5,28,98,000	5,32,18,668
SCHEDULE 8:		
<u>CURRENT LIABILITIES & PROVISIONS</u>		
Current Liabilities & Provisions	-	6,741
Sundry Creditors	50,29,264	76,78,701
Other Liabilities	50,29,264	76,85,442
	50,29,264	76,85,442
SCHEDULE 9:		
<u>MISCELLANEOUS EXPENDITURE</u>		
(To the extent not written off or adjusted)		
<u>Preliminary Expenditure</u>		
Opening Balance	-	-
Add : Addition during the year	54,828	61,681
Less : Written off during the year	54,828	6,853
	-	54,828
SCHEDULE 10:		
<u>PROFIT & LOSS ACCOUNT</u>		
Opening Balance	13,030	6,500
Current year	21,03,876	6,530
	21,16,906	13,030

MODERN INDIA FREE TRADE WAREHOUSING PRIVATE LIMITED

Schedules Forming part of Profit & Loss Account for the year ended 31st March 2011.

PARTICULARS	As at 31st March, 2011 Amount(Rs.)	As at 31st March, 2010 Amount(Rs.)
<u>SCHEDULE 11 :</u>		
<u>Administrative & Establishment Expenses</u>		
Bank Charges	155	-
Filling Fees	1,530	1,530
Insurance Charges	25,880	-
Interest on car loan	24,536	-
Miscellaneous Expenses	10	-
Professional Tax	2,500	2,500
Refreshment Exp	355	-
Payment to Auditors		
Audit Fees	5,515	2,500
	60,481	6,530
<u>SCHEDULE 12 :</u>		
<u>Prior - Period Expenses</u>		
Bank Charges	4,597	-
Books & Periodicals	500	-
Business Promotion Expenses	1,41,285	-
Conceyance	39,014	-
Depreciation	4,82,933	-
Internet Charges	1,314	-
Interest on Car Loan	85,119	-
Miscellaneous Expenses	5,060	-
Motor Car Expenses	3,41,257	-
Printing & Stationery	5,240	-
Preliminary Expenses W/off	13,706	-
Professional Fees	3,20,000	-
Refreshment Expenses	3,535	-
Seminar Expenses	8,500	-
Travelling Expenses	4,81,855	-
Xerox Charges	7,197	-
	19,41,112	-



MODERN INDIA FREE TRADE WAREHOUSE PRIVATE LIMITED
SCHEDULE OF NOTES ANNEXED TO AND FORMING PART OF THE BALANCE SHEET AS AT AND THE PROFIT & LOSS ACCOUNT
FOR THE YEAR ENDED 31ST MARCH, 2011

SCHEDULE - 13

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.

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

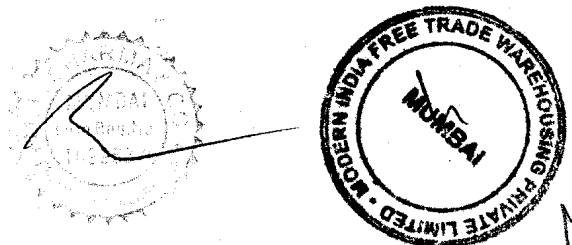
I Taxation:

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 realised.

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.

L Provisions:

A Provision is recognized when an enterprise has a present obligation as a result of past even 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 adate and adjusted to reflect tha current best estimates.

M Contingent Liability:

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

2 Notes on Accounts:

A Conveyance documents are yet to be executed in respect of purchase of land against which advances of Rs. 5,28,98,000/- (Previous year Rs. 52248000) paid to the various parties.

B Rs. 78,91,381/- has been capitalised as a Borowing Cost during the year (Previous Year Rs. 76,96,947/-). The Interest has been paid on loans taken for purchase of Land. The intended use of the Land is For setting up of Free Trade Warehousing Zone and accordingly the same is capitalized under the head Pre-Operative Expenses pendin for Allocation.

C DISCLOSURE OF RELATED PARTIES AND RELATED PARTY TRANSACTIONS:

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

i LIST OF RELATED PARTIES:

Key Management Personnel & Relatives :

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

ii NAME OF THE REALTED PARTEIS WIH WHOM TRANSACTIONS WERE CARRIED OUT DURING THE YEAR & DISRIPTION OF RELATIONSHIP :

- (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
Sarat Leaseing & Finance Ltd

iii AMOUNT DUE TO/FROM RELATED PARTIES AS ON MARCH 31, 2011 IS AS UNDER:

	Nature of Transctions	Significant	Holding	Total
1 a)	Loan taken	173200000	120894427	294094427
		0	5225000	5225000
b)	Repayment etc out of Loan taken	123200000	160444427	283644427
		0	150000	150000
c)	Amount of Loans taken outstanding at the end of the year	50000000	19825000	69825000
		0	59375000	59375000
2 a)	Interest on Loans taken	3408598	4482783	7891381



	0	7676201	7676201
b) Amount of interest outstanding at	90411	4482783	4573194
	0	7676201	7676201
3 Sale of Fixed Assets	0	750000	750000
	0	0	0

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

D i As per the Provision of AS-26 "Intangible Assets" Preliminary Expenses & Pre-Operative Expenses debited to Miscellaneous Expenditure account and Pre-operative expenses pending for allocation (Except interest payment) in earlier year respectively Charged to Profit & Loss account and debited to Prior-Period Adjustment account as per the Provision of AS-5 "Net Profit & Loss for the period, Prior Period items & Change in Accounting Policies.

E The Company has not revognized 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.

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
	31.03.2011	31.03.2010
Net Profit available for equity shareholders	(2103876)	(6530)
Weighted average number of equity share outstanding	50000	50000
Basic/Diluted Earning per Share (on nominal value of Rs 10/- per share)	(42.08)	(0.13)

G The net worth of the company is negative to the extent of Rs.15.17 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.

H 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.

I The Company has yet to commence its operation.

J 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.

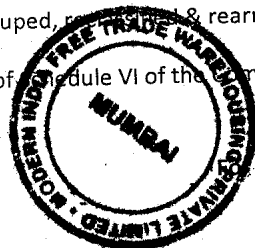
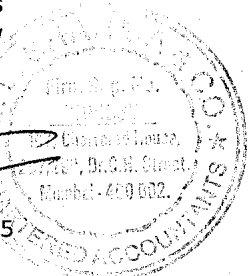
K Figures of the previous Year has been regrouped, reclassified & rearranged wherever necessary.

L Additional information pursuant to part IV of Schedule VI of the Companies Act, 1956 annexed herewith.

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

(Signature)
C.H. BANDI (Partner)
Membership No. : 5385

Place : Mumbai
Dated : 29 APR 2011



Modern India Free Trade Warehousing Pvt. Ltd

(Signature)
Shrikrishna
Chairman
(Signature)
Director
Place : Mumbai
Dated :

Director

MODERN INDIA FREE TRADE WAREHOUSING PRIVATE LIMITED

BALANCE SHEET ABSTRACT AND COMPANY'S BUSINESS PROFILES

I REGISTRATION DETAILS

Registration No.	U40109MH2008PTC183879
State Code	11
Balance Sheet Date	31/03/2011

II CAPITAL RAISED DURING THE YEAR

Public Issue	-
Right Issue	-
Bonus Issue	-
Private Placement	-

III POSITION OF MOBILISATION & DEPLOYMENT OF FUNDS

Amount (Rs.)
7,03,25,000
7,03,25,000

Total Liabilities
Total Assets

SOURCES OF FUNDS

Paid Up Capital	5,00,000
Reserves & Surplus	-
Secured Loans	-
Unsecured Loans	6,98,25,000

APPLICATION OF FUNDS

Net Fixed Assets	-
Investments	-
Pre-Operative Expenses Pending Allocation	2,01,65,887
Net Current Assets	4,80,42,207
Miscellaneous Expenditure	-
Accumulated Losses	21,16,906

IV PERFORMANCE OF COMPANY

Turnover	4,019
Total expenditure	(21,07,895)
Profit Before Tax	(21,03,876)
Profit After Tax	(21,03,876)
Earnings per Share	(42.08)
Dividend in %	-

