

(INCOME-TAX RETURN FORM FOR NON-CORPORATE ASSESSEES OTHER THAN PERSONS CLAIMING EXEMPTION UNDER SECTION 11)

1. NAME M/S MODI VENTURES
 2. FATHER'S NAME - N/A -
 3. ADDRESS 5-2-187/324, 3rd Floor, SOHAM MANSION
M.G. Road, Secunderabad,
 PIN 500003 TELEPHONE _____
 4. PERMANENT ACCOUNT NUMBER AAJEM064605. DATE OF BIRTH - N/A -
 6. INDIVIDUAL / HINDU UNDIVIDED FAMILY / FIRM / ASSOCIATION OF PERSONS / LOCAL AUTHORITY
 7. RESIDENT / NON-RESIDENT / NOT ORDINARILY RESIDENT 8. WARD/CIRCLE/SPECIAL RANGE 10 (G) H4D
 9. SEX: MALE / FEMALE N/A 10. INCOME FOR THE PREVIOUS YEAR i.e. 1.4.2005 TO 31.3.2006
 11. ASSESSMENT YEAR 2006-2007 12. RETURN: ORIGINAL OR REVISED Original
 13. PARTICULARS OF BANK ACCOUNT (MANDATORY IN REFUND CASES)

| Name of the Bank | MICR Code (9 digit) | Address of Bank Branch | Type of Account (Savings/Current) | Account Number | ECS (Y/N) |
|------------------|---------------------|------------------------|-----------------------------------|----------------------|-----------|
| <u>HDFC Bank</u> | | <u>SD Road Sec-Bad</u> | <u>Current</u> | <u>0622000021800</u> | <u>Y</u> |

| 14. Details of Credit Card | Credit Card Number | Issued by |
|----------------------------|--------------------|-----------|
| | | |

| | | | | | | |
|---|-------|--------|------|------------|--------------|-------------------|
| 15. INCOME FROM SALARY (Attach Form No. 16) | - | - | - | 701 | Rs. | <u>NIL</u> |
| 16. INCOME FROM HOUSE PROPERTY | - | - | - | 702 | Rs. | <u>NIL</u> |
| 17. (i) INCOME FROM BUSINESS OR PROFESSION | - | - | - | 703 | Rs. | <u>(1,56,514)</u> |
| (ii) PROFITS AND GAINS FROM TRANSACTIONS CHARGEABLE TO SECURITIES TRANSACTIONS TAX (including income above) | - | - | - | 597 | Rs. | <u>NIL</u> |
| 18. CAPITAL GAINS | 15/12 | 15/3 | 31/3 | TOTAL | | |
| (a) Short-Term (u/s IIIA) | 676 | 677 | 678 | 679 | 710 | |
| (b) Short-Term (others) | 685 | 646 | 697 | 648 | 704 | |
| (c) Long-Term | 693 | 696 | 697 | 698 | 705 | |
| | | | | 776 | Rs. | <u>NIL</u> |
| 19. INCOME FROM OTHER SOURCES | - | - | - | 706 | Rs. | <u>NIL</u> |
| 20. INCOME OF ANY OTHER PERSON TO BE ADDED | - | - | - | 775 | Rs. | <u>NIL</u> |
| 21. GROSS TOTAL INCOME (15+16+17+18+19+20) | - | - | - | 746 | Rs. | <u>(1,56,514)</u> |
| 22. LESS : DEDUCTIONS UNDER CHAPTER VI-A | | | | | AMOUNT (Rs.) | |
| (a) | | | | | | |
| (b) | | | | | | |
| (c) | | | | | | |
| | | | | 747 | Rs. | <u>NIL</u> |
| 23. TOTAL INCOME : (21 - 22) | - | - | - | 760 | Rs. | <u>(1,56,514)</u> |
| 24. ADD : AGRICULTURAL INCOME (For rate purposes) | - | - | - | 762 | Rs. | <u>NIL</u> |
| 25. INCOME CLAIMED TO BE EXEMPT FROM INCOME-TAX | - | - | - | 125 | Rs. | <u>NIL</u> |
| 26. TAX ON TOTAL INCOME | | INCOME | | INCOME-TAX | | |
| (a) At normal rates | 772 | | 802 | | | |
| (b) At special rates | 768 | | 801 | 810 | Rs. | <u>NIL</u> |
| 27. LESS : REBATE [a + b/c + d + e] | | | | 820 | Rs. | <u>NIL</u> |
| (a) Under Section 88 : | 812 | | | | | |
| (b) Under Section 88B : | 813 | | | | | |
| (c) Under Section 88C : | 814 | | | | | |
| (d) Under Section 88D : | 815 | | | | | |
| (e) Under Section 88E : | 818 | | | | | |
| (i) Tax on profits and gains from transactions chargeable to securities transactions tax [item 26(ii) of Schedule C]; | 816 | | | | | |
| (ii) Amount of securities transaction tax paid (Attach Form 10DB/10DC) | 817 | | | | | |
| (iii) Rebate u/s 88E [lower of (i) / (ii) above] | 818 | | | | | |

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 CIT, RANGEREDE
 HYDRABAD
 23 OCT 2006
 Government of India
 Ministry of Finance
 Income Tax Department

1044003755

*Please go through the instructions. These will help you in filling in the return.

| | | | | | | | | |
|--------------------------------------|---|---|---|---|---|-----|-----|-----|
| 28. TAX PAYABLE | - | - | - | - | - | 826 | Rs. | NIL |
| 29. ADD : SURCHARGE | - | - | - | - | - | 828 | Rs. | NIL |
| 30. ADD : EDUCATION CESS | - | - | - | - | - | 834 | Rs. | NIL |
| 31. TOTAL TAX PAYABLE : (28 + 29+30) | - | - | - | - | - | 832 | Rs. | NIL |
| 32. LESS : RELIEF | - | - | - | - | - | 837 | Rs. | NIL |
| 33. NET TAX PAYABLE | - | - | - | - | - | 840 | Rs. | NIL |
| 34. LESS : TAX DEDUCTED AT SOURCE | - | - | - | - | - | 873 | Rs. | NIL |
| 35. LESS : ADVANCE TAX PAID | | | | | | | | |

| Name of the Bank Branch | BSR Code of Bank Branch (7 digit) | Date of deposit (DDMMYY) | Serial No. of challan | Amount (Rs.) |
|-------------------------|-----------------------------------|--------------------------|-----------------------|--------------|
| NIL | | | | |

| Date of instalment | Upto 15/9 | 16/9 to 15/12 | 16/12 to 15/03 | 16/03 to 31/03 | Total |
|--------------------|-----------|---------------|----------------|----------------|-------|
| | 858 | 859 | 860 | 861 | 862 |
| Amount | | | | | |

| | | | | | | |
|-------------------------------------|------|------|-------|-----|-----|-----|
| 36. ADD : INTEREST PAYABLE u/s 234A | 234B | 234C | TOTAL | 851 | Rs. | NIL |
| 37. LESS : SELF-ASSESSMENT TAX PAID | | | | 888 | Rs. | |

| Name of the Bank Branch | BSR Code of Bank Branch (7 digit) | Date of deposit (DDMMYY) | Serial No. of challan | Amount (Rs.) |
|-------------------------|-----------------------------------|--------------------------|-----------------------|--------------|
| NIL | | | | |

| | | | | | | | | |
|--|---|---|---|---|---|-----|-----|-----|
| 38. BALANCE TAX : PAYABLE / REFUNDABLE | - | - | - | - | - | 891 | Rs. | NIL |
|--|---|---|---|---|---|-----|-----|-----|

DOCUMENTS ATTACHED WITH THE RETURN

1. Computation of total income
2. Statement of Accounts
3. Form NO. 3CB, 3CD & Annexure
5.
6.

VERIFICATION

I, SANAM MODI (name in full and in block letters),
son/daughter of SATISH MODI, solemnly declare that to the best of my knowledge and belief, the information given in this return and the annexures and statements accompanying it are correct, complete and truly stated and in accordance with the provisions of the Income-Tax Act, 1961, in respect of income chargeable to income-tax for the previous year relevant to the assessment year 2006-2007.

Receipt No. _____ Date _____

Seal

Signature of the receiving official

Date : 18/10/2006

Place : Secunderabad

For MODI VENTURES

John Mal
Partner

Signature

o/c

M/s. MODI VENTURES
5-4-187/ 3 & 4, 3rd Floor, Soham Mansion,
M.G.Road, Secunderabad - 500 003.
Assessment Year: 2006- 2007

Status : Partnership Firm as Such (PFAS) / Resident
PAN : AAJFM 0646 D/ Ward 10 (4)/ Hyd
Year Ending : 31-03-2006
Nature of Business : Real Estate/Developers/Managers

COMPUTATION OF INCOME

| | | |
|---|-------------------|------------------|
| Net Loss as per Profit & Loss Account | | (164,882) |
| Add: Fringe Benefit Tax debited to P & L Acc | 1,559 | |
| Add: T.D.S debited to P & L Account | 6,605 | |
| Add: Service Tax | 204 | 8,368 |
| | <hr/> | |
| Tax there on comes to | NIL | |
| | | <hr/> |
| | Net Income | (156,514) |
| | | <hr/> |
| <u>Taxes Paid:</u> | | |
| TDS Deducted by HDFC | 6,605 | |
| Balance refundable | <hr/> | |
| | 6,605 | |
| | <hr/> | |

Per MODI VENTURES

John Modi
Partner

Ref. No. : 8471692

Branch : 42

FORM NO. 16-A

[See rule 31(1)(b)]

Certificate of deduction of tax at source under section 203 of the Income-tax Act, 1961

(For interest on securities; dividends; interest other than "interest on securities" winning from lotteries or crossword puzzles; winning from horse race; payments to contractors and sub-contractors; insurance commission; payments to non-resident sportsmen/sports associations; payments in respect of deposits under National Savings Scheme; payments on account of repurchase of units by Mutual Fund or Unit Trust of India; commission, remuneration or prize on sale of lottery tickets; other sums under section 195; income of foreign companies referred to in section 196A(2); income from units referred to in section 196B; income from foreign currency bonds or shares of an Indian company referred to in section 196C; income of Foreign Institutional Investors from securities referred to in section 196(D)]

Consignment Number : 42/8471692

| | | |
|--|---|--|
| Name and address of the person deducting tax | TDS circle where Annual Return under section 206 is delivered | Name and address of the person to whom payment made or in whose acct. it is cred. |
| HDFC BANK LTD HYDERABAD - SECUNDERABAD USHA KIRAN COMPLEX, GR FLOOR PARADISE CIRCLE SECUNDERABAD - 500 003 ANDHRA PRADESH - TEL : 040-7810155 | TDS 1(1) ASST. COMM. OF INCOME TAX MUMBAI. | MODI VENTURES 5-4-187/3 AND 4 3RD FLOOR SOHAM MANSION ABOVE BANK OF BARODA MG ROAD SECUNDERABAD - 500003 AP - INDIA |
| TAX DEDUCTION A/C NO. OF THE DEDUCTOR | NATURE OF PAYMENT | PAN/GIR NO. OF THE PAYEE |
| MUMH03189E | Interest on Fixed Deposit Accounts. A/C details as Per Annexure | |
| PAN/GIR NO. OF THE DEDUCTOR | ***** | FOR THE PERIOD |
| AAACH2702H | | FROM : 01 Apr 2005 TO : 31 Mar 2006 |

DETAILS OF THE PAYMENT, TAX DEDUCTIONS AND DEPOSIT OF TAX INTO CENTRAL GOVERNMENT ACCOUNT

| Date of Payment/ Credit | Amount paid/credited (Rs.) | Amount of income-tax deducted (Rs.) | Rate at which deducted (%) | Date and Challan No. of deposit of tax into Central Govt. Account | Name of Bank and branch where tax deposited |
|----------------------------|-------------------------------|--|-------------------------------|---|---|
| Apr 2005 | 0.00 | 0.00 | 0.00 | | |
| May 2005 | 0.00 | 0.00 | 0.00 | | |
| Jun 2005 | 0.00 | 0.00 | 0.00 | | |
| Jul 2005 | 0.00 | 0.00 | 0.00 | | |
| Aug 2005 | 0.00 | 0.00 | 0.00 | | |
| Sep 2005 | 0.00 | 0.00 | 0.00 | | |
| Oct 2005 | 821.92 | 0.00 | 0.00 | | |
| Nov 2005 | 0.00 | 0.00 | 0.00 | | |
| Dec 2005 | 33,236.81 | 3,821.39 | 11.22 | 07 Jan 2006 ITNS 281 | HDFC BANK LTD FORT MUMBAI |
| Jan 2006 | 4,321.92 | 615.57 | 11.22 | 07 Feb 2006 ITNS 281 | HDFC BANK LTD FORT MUMBAI |
| Feb 2006 | 0.00 | 0.00 | 0.00 | | |
| Mar 2006 | 20,487.32 | 2,168.03 | 11.22 | 07 Apr 2006 ITNS 281 | HDFC BANK LTD FORT MUMBAI |
| Totals : | 58,867.97 | 6,604.99 | | | |

Certified that a sum of Rs. 6,604.99 (INR SIX THOUSAND SIX HUNDRED AND FOUR AND PAISE NINETY NINE ONLY) has been deducted at source and paid to the credit of the Central Government as per the details given above.

Place : SECUNDERABAD

Date : 12 Apr 2006



For HDFC BANK LTD

M. Bedekar
AUTHORISED SIGNATORY
Mandar Mukund Bedekar
Executive

Tax deduction at Source on interest accrued as on 31/03/2006 will be remitted to government treasury before the due date prescribed by Rule 30(1)(b)(i)(1) of Income Tax Rules, 1962.

Ref. No. : 8471692
Branch : 42

Annexure to Form 16A

Date : 31/03/2006
Consignment Number : 42/8471692
M/S. MODI VENTURES
5-4-187/3 AND 4 3RD FLOOR
SOFAM MANSION
ABOVE BANK OF BARODA MG ROAD
SECUNDERABAD - 500003
AP - INDIA

Dear Sir/Madam,

Ref : Your Fixed Deposit(s) - Customer ID 8471692
Name : M/S. MODI VENTURES Branch : HYDERABAD - SECUNDERABAD

As per Income Tax Act it is mandatory for Customers to give PAN number to the person/ institution deducting tax to claim credit of TDS. In case your PANNO is not appearing in Form 16(A), you are requested to submit the same to the bank, in order to pre-empt any problems in getting your TDS credit from IT department in future.

Following are the details of the depositwise interest earned / compounded and tax deducted on your deposits :

(AMOUNT IN RUPEES)

| DEPOSIT NO. | PRINCIPAL AMOUNT AS of 31/03/2006 | INTEREST AMOUNT 01/04/2005 to | TAX DEDUCTED to 31/03/2006 | INTEREST ACCRUED AS OF 31/03/2006 |
|---------------|---|----------------------------------|-------------------------------|--------------------------------------|
| 0423500031783 | 0.00 | 821.92 | 0.00 | 0.00 |
| 0425070009634 | 1,275,000.00 | 36,354.96 | 4,311.04 | 2,410.27 |
| 0425070009644 | 0.00 | 6,897.26 | 839.19 | 0.00 |
| 0425070009651 | 0.00 | 6,897.26 | 839.19 | 0.00 |
| 0425070009703 | 0.00 | 5,486.30 | 615.57 | 0.00 |
| | 1,275,000.00 | 56,457.70 | 6,604.99 | 2,410.27 |

Total Interest earned :Rs.56,457.70
Total Interest Accrued :Rs.2,410.27
As of 31/03/2006
Tax deducted Amount, If any :Rs.0.00
Net Taxable Income :Rs.58,867.97
Rate :@11.22%
Total Tax deducted :Rs.6,604.99

NOTES:

- As per current IT regulations, tax for the total amount of interest earned /accrued by the customer on all resident term deposits held at the branch is deducted when the total interest earned/accrued exceeds the threshold limit of Rs.5,000/- in a financial year. The tax amount is deducted from the interest compounded / paid-out/ accrued in respect of that deposit which comes up for processing and which has resulted in the total interest earned/accrued crossing the aforesaid threshold limit. In case, the interest amount is insufficient for meeting the tax amount, tax is deducted from the principal to the extent of the shortfall. The balance principal would continue at the contracted rate and for the contracted period.
- In case of part / full redemption of the deposit or where sweepin facility has been availed against a deposit, the interest amount and the tax deducted(account-wise) will not match since TDS for interest earned during the financial year is calculated/deducted at the original contracted rate of interest and adjustments, if any, are made from any subsequent interest pay-out/compounding during the same financial

Year, if available.

3. Deposit with Principal Amount shown as 0.00 indicate that the deposit is closed.

THIS IS A COMPUTER GENERATED STATEMENT AND REQUIRES NO SIGNATURE.

FORM No. 3CB

[Vide rule 6G(1)(b) of Income-tax Rules, 1962]

AUDIT REPORT UNDER SECTION 44AB OF THE INCOME-TAX ACT, 1961 IN THE CASE OF A PERSON REFERRED TO IN CLAUSE (B) OF SUB-RULE (1) OF RULE 6G

*I/We have examined the balance sheet as at 31st March, 2006, and the *profit and loss account / income and expenditure account for the year ended on that date, attached herewith, of

(mention name and address of the assessee with permanent account number)

MODI VENTURES
5-4-187/3 & 4, 3RD FLOOR, SOHAM MANSION,
M.G. ROAD, SECUNDERABAD - 500 003.

Permanent Account Number: AAJFM 0646 D

2. *I/We certify that the balance sheet and the *profit and loss account/income and expenditure account are in agreement with the books of account maintained at the head office at 5-4-187/3 & 4, 3rd Floor, Soham Mansion, M.G. Road, Secunderabad - 500003. and** - Nil - branches.
3. (a) *I/We report the following observations/comments/discrepancies/inconsistencies; if any :

Refer to Notes to Accounts
Annexure No - XIII

(b) Subject to above,—

- (A) *I/We have obtained all the information and explanations which, to the best of *my/our knowledge and belief were necessary for the purposes of the audit.
- (B) In *my/our opinion, proper books of account have been kept by the head office and branches of the assessee so far as appears from *my/our examination of the books.
- (C) In *my/our opinion and to the best of *my/our information and according to the explanations given to *me/us, the said accounts, read with notes thereon, if any, give a true and fair view :—
- (i) in the case of the balance sheet, of the state of the affairs of the affairs of the assessee as at 31st March, 2006:..... and
- (ii) in the case of the *profit and loss account/~~income and expenditure account~~ of the *profit/loss or *surplus/deficit of the assessee for the year ended on that date.
4. The statement of particulars required to be furnished under section 44AB is annexed herewith in Form No. 3CD.
5. In *my/our opinion and to the best of *my/our information and according to explanations given to *me/us, the particulars given in the said Form No. 3CD and the annexure thereto are true and correct.



[Signature]
***Signed

Place : Secunderabad

Date : 20-10-2006

Name : AJAY MEHTA
Membership No. 35449
Address : 5-4-187/3 & 4, 2nd Floor,
Soham Mansion, M.G. Road, Secunderabad-3.

- NOTES:—
- *Delete whichever is not applicable.
 - **Mention the total number of branches.
 - ***This report has to be signed by—
 - a chartered accountant within the meaning of the Chartered Accountants Act, 1949 (38 of 1949); or
 - any person who, in relation to any State, is, by virtue of the provisions of sub-section (2) of section 226 of the Companies Act, 1956 (1 of 1956), entitled to be appointed to act as an auditor of companies registered in that State.
 - The person, who signs this audit report, shall indicate reference of his membership number/certificate of practice number/authority under which he is entitled to sign this report.

10. Whether the profit and loss account includes any profits and gains assessable on presumptive basis, if yes, indicate the amount and the relevant section (44AD, 44AE, 44AF, 44B, 44BB, 44BBA, 44BBB or any other relevant section) :

— N.A —

11. (a) Method of accounting employed in the previous year.

Mercantile system.

(b) Whether there has been any change in the method of accounting employed *vis-a-vis* the method employed in the immediately preceding previous year.

— No —

(c) If answer to (b) above is in the affirmative, give details of such change, and the effect thereof on the profit or loss.

— N.A —

(d) Details of deviation, if any, in the method of accounting employed in the previous year from accounting standards prescribed under section 145 and the effect thereof on the profit or loss.

— N.A —

12. (a) Method of valuation of closing stock employed in the previous year.

— N.A —

(b) Details of deviation, if any, from the method of valuation prescribed under section 145A, and the effect thereof on the profit or loss.

— N.A —

12A. Give the following particulars of the capital asset converted into stock-in-trade:-

(a) Description of Capital Asset,

— NIL —

(b) Date of acquisition;

— NIL —

(c) Cost of acquisition;

— NIL —

(d) Amount at which the asset is converted into stock-in-trade.

— NIL —

13. Amounts not credited to the profit and loss account, being,—

(a) the items falling within the scope of section 28;

— NIL —

(b) the proforma credits, drawbacks, refunds of duty of customs or excise or service tax, or refund of sales tax or value added tax, where such credits, drawbacks or refunds are admitted as due by the authorities concerned;

— NIL —

(c) escalation claims accepted during the previous year;

— NIL —

(d) any other item of income;

— NIL —

(e) capital receipt, if any.

— NIL —

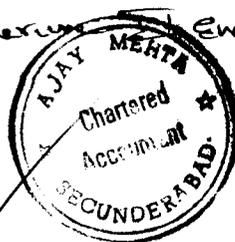
14. Particulars of depreciation allowable as per the Income-tax Act, 1961 in respect of each asset or block of assets, as the case may be, in the following form:—

(a) Description of asset/block of assets.

(b) Rate of depreciation.

(c) Actual cost or written down value, as the case may be.

As per Annexure enclosed



For MODI VENTURES
Modi
Partners

- (d) Additions/deductions during the year with dates; in the case of any addition of an asset, date put to use; including adjustments on account of—
 - (i) Modified Value Added Tax credit claimed and allowed under the Central Excise Rules, 1944, in respect of assets acquired on or after 1st March, 1994,
 - (ii) change in rate of exchange of currency, and
 - (iii) subsidy or grant or reimbursement, by whatever name called.

(e) Depreciation allowable.

(f) Written down value at the end of the year.

15. Amounts admissible under sections-

- (a) 33AB
- (b) 33ABA
- (c) 33AC (wherever applicable)
- (d) 35
- (e) 35ABB
- (f) 35AC
- (g) 35CCA
- (h) 35CCB
- (i) 35D
- (j) 35DD
- (k) 35DDA
- (l) 35E

— NIL —

(a) debited to the profit and loss account (showing the amount debited and deduction allowable under each section separately);

— NIL —

(b) not debited to the profit and loss account.

— NIL —

16. (a) Any sum paid to an employee as bonus or commission for services rendered, where such sum was otherwise payable to him as profits or dividend. [Section 36(1)(ii)]

— NIL —

(b) Any sum received from employees towards contributions to any provident fund or superannuation fund or any other fund mentioned in section 2(24)(x); and due date for payment and the actual date of payment to the concerned authorities under section 36(1)(va).

— NIL —

17. Amounts debited to the profit and loss account, being:—

(a) expenditure of capital nature;

— NIL —

(b) expenditure of personal nature;

— NIL —

(c) expenditure on advertisement in any souvenir, brochure, tract, pamphlet or the like, published by a political party;

— NIL —

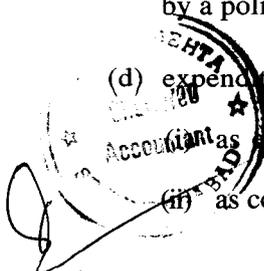
(d) expenditure incurred at clubs,—

(i) as entrance fees and other dues;

— NIL —

(ii) as cost for club services and facilities used;

— NIL —



For MODI VENTURES
 Partner

- (e) (i) expenditure by way of penalty or fine for violation of any law for the time being in force;
- (ii) any other penalty or fine;
- (iii) expenditure incurred for any purpose which is an offence or which is prohibited by law;
- (f) amounts inadmissible under section 40(a);
- (g) interest, salary, bonus, commission or remuneration inadmissible under section 40(b)/40(ba) and computation thereof;
- (h) (A) whether a certificate has been obtained from the assessee regarding payments relating to any expenditure covered under section 40A(3) that the payments were made by account payee cheques drawn on a bank or account payee bank draft, as the case may be. [Yes / No]

— NIL —
 — NIL —
 — NIL —
 — NIL —
 — NIL —

— Yes —

(B) amount inadmissible under section 40A(3), read with rule 6DD [with break-up of inadmissible amounts]

Refer note to Accounts
 Annexure XIII note no 13

- (i) provision for payment of gratuity not allowable under section 40A(7);
- (j) any sum paid by the assessee as an employer not allowable under section 40A(9);
- (k) particulars of any liability of a contingent nature.
- (l) amount of deduction inadmissible in terms of section 14A in respect of the expenditure incurred in relation to income which does not form part of the total income,
- (m) amount inadmissible under the proviso to section 36(1)(iii).

— NIL —
 — NIL —
 — NIL —

- 18. Particulars of payments made to persons specified under section 40A(2)(b) :
- 19. Amounts deemed to be profits and gains under section 33AB or 33ABA or 33AC :
- 20. Any amount of profit chargeable to tax under section 41 and computation thereof :
- 21. *(i) In respect of any sum referred to in clauses (a), (b), (c), (d), (e) or (f) of section 43B, the liability for which,—

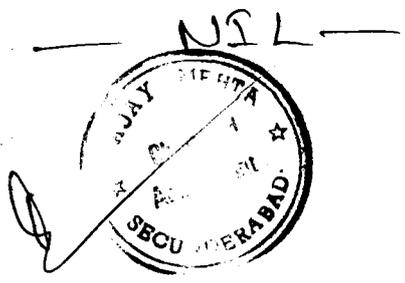
— NIL —
 — NIL —
 — NIL —
 — NIL —
 — NIL —
 — NIL —

- (A) pre-existed on the first day of the previous year but was not allowed in the assessment of any preceding previous year and was
 - (a) paid during the previous year;
 - (b) not paid during the previous year;
- (B) was incurred in the previous year and was
 - (a) paid on or before the due date for furnishing the return of income of the previous year under section 139(1);
 - (b) not paid on or before the aforesaid date.

For MODI VENTURES

Partner

*State whether sales tax, customs duty, excise duty or any other indirect tax, levy, cess, impost, etc., is passed through the profit and loss account.



22. (a) Amount of Modified Value Added Tax credits availed of or utilised during the previous year and its treatment in the profit and loss account and treatment of outstanding Modified Value Added Tax credits in the accounts.

— NIL —

(b) Particulars of income or expenditure of prior period credited or debited to the profit and loss account.

— NIL —

23. Details of any amount borrowed on hundi or any amount due thereon (including interest on the amount borrowed) repaid, otherwise than through an account payee cheque.[Section 69D]

— NIL —

24. (a)*Particulars of each loan or deposit in an amount exceeding the limit specified in section 269SS taken or accepted during the previous year:—

- (i) name, address and permanent account number (if available with the assessee) of the lender or depositor;
- (ii) amount of loan or deposit taken or accepted;
- (iii) whether the loan or deposit was squared up during the previous year;
- (iv) maximum amount outstanding in the account at any time during the previous year;
- (v) whether the loan or deposit was taken or accepted otherwise than by an account payee cheque or an account payee bank draft.

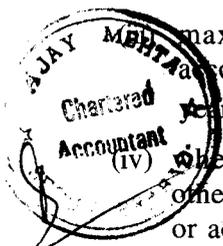
As per Annexure XIV enclosed

*(These particulars need not be given in the case of a Government company, a banking company or a corporation established by a Central, State or Provincial Act.)

(b) Particulars of each repayment of loan or deposit in an amount exceeding the limit specified in section 269T made during the previous year:—

- (i) name, address and permanent account number (if available with the assessee) of the payee;
- (ii) amount of the repayment;

As per Annexure XV enclosed



maximum amount outstanding in the account at any time during the previous year;
whether the repayment was made otherwise than by account payee cheque or account payee bank draft.

For MODI VENTURES

John Mehta
Partner

- (c) Whether a certificate has been obtained from the assessee regarding taking or accepting loan or deposit, or repayment of the same through an account payee cheque or an account payee bank draft. [Yes / No]

~~No~~

The particulars (i) to (iv) at (b) and the Certificate at (c) above need not be given in the case of a repayment of any loan or deposit taken or accepted from Government, Government company, banking company or a corporation established by a Central, State or Provincial Act.

~~N.A.~~

25. (a) Details of brought forward loss or depreciation allowance, in the following manner, to the extent available :

| Sl. No. | Assessment Year | Nature of loss/allowance (in rupees) | Amount as returned (in rupees) | Amount as assessed (give reference to relevant order) | Remarks |
|---------|-----------------|--------------------------------------|--------------------------------|---|---------|
|---------|-----------------|--------------------------------------|--------------------------------|---|---------|

~~NIL~~

- (b) whether a change in shareholding of the company has taken place in the previous year due to which the losses incurred prior to the previous year cannot be allowed to be carried forward in terms of section 79.

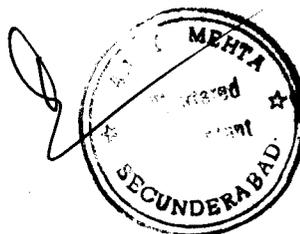
~~NIL~~

26. Section-wise details of deductions, if any, admissible under Chapter VI-A.

~~NIL~~

For MODI VENTURES

 Partner



27. (a) Whether the assessee has complied with the provisions of Chapter XVII-B regarding deduction of tax at source and regarding the payment thereof to the credit of the Central Government. [Yes / No]

— Yes —
— NIL —

(b) If the provisions of Chapter XVII-B have not been complied with, please give the following details*, namely:-

- (i) Tax deductible and not deducted at all
- (ii) shortfall on account of lesser deduction than required to be deducted
- (iii) tax deducted late
- (iv) tax deducted but not paid to the credit of the Central Government

Amount

..... NIL

..... NIL

..... NIL

..... NIL

*Please give the details of cases covered in (i) to (iv) above.

28. (a) In the case of a trading concern, give quantitative details of principal items of goods traded :

- (i) Opening stock;
- (ii) Purchases during the previous year;
- (iii) Sales during the previous year;
- (iv) Closing stock;
- (v) shortage/excess, if any.

— N.A —

(b) In the case of a manufacturing concern, give quantitative details of the principal items of raw materials, finished products and by-products :

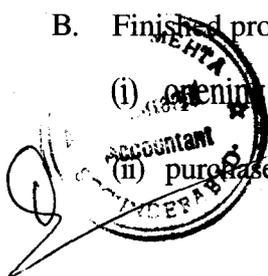
A. Raw materials :

- (i) opening stock;
- (ii) purchases during the previous year;
- (iii) consumption during the previous year;
- (iv) sales during the previous year;
- (v) closing stock;
- (vi) *yield of finished products;
- (vii) *percentage of yield;
- (viii) *shortage/excess, if any.

— N.A —

B. Finished products / By-products :

- (i) opening stock;
- (ii) purchases during the previous year;



For MODI VENTURES
[Signature]
Partner

- (iii) quantity manufactured during the previous year;
- (iv) sales during the previous year;
- (v) closing stock;
- (vi) shortage/excess, if any.

*Information may be given to the extent available.

29. In the case of a domestic company, details of tax on distributed profits under section 115-O in the following form :—

- (a) Total amount of distributed profits;
- (b) Total tax paid thereon;
- (c) dates of payment with amounts.

— N.A —

30. Whether any cost audit was carried out, if yes, enclose a copy of the report of such audit [See section 139(9)].

— N.A —

31. Whether any audit was conducted under the Central Excise Act, 1944, if yes, enclose a copy of the report of such audit.

— N.A —

32. Accounting ratios with calculations as follows :-

- (a) Gross profit/Turnover;
- (b) Net profit/Turnover;
- (c) Stock-in-trade/Turnover;
- (d) Material consumed/Finished goods produced.

— N.A —

For MODI VENTURES
Partners

[Signature]

[Signature]

*Signed



Name : AJAY MEHTA.
MM NO. 35449.

Address : 5-4-187/224, 2nd floor.
SOHAM MANSION, M.G. ROAD.

Place : SECUNDERABAD. SECUNDRABAD - 500003.

Date : 20-10-2006.

- NOTES: 1. The Annexure to this Form must be filled up failing which the Form will be considered as incomplete.
2. This Form and the Annexure have to be signed by the person competent to sign Form No. 3CA or Form No. 3CB, as the case may be.

ANNEXURE - I

PART - A

1. NAME OF THE ASSESSEE : MODI VENTURES
2. ADDRESS : 5-H-18A/304 3rd floor, Soham Mansion
H.G. Road, Sec. Bad.
3. PERMANENT ACCOUNT NUMBER : AAJFM0646D
4. STATUS : Partnership firm
5. PREVIOUS YEAR ENDED : 31st March 2006
6. ASSESSMENT YEAR : 2006-2007

PART - B

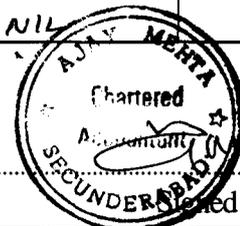
| | | |
|---|-------|---------|
| Nature of business or profession in respect of every business or profession carried on during the previous year | Code* | 0 H 0 3 |
|---|-------|---------|

| Sl. No. | Parameters | Current year | Preceding year |
|---------|---|--------------|----------------------|
| 1. | Paid-up share capital / capital of partner / proprietor <u>cr.</u> | 1,34,08,618 | 55,64,500 <u>cr.</u> |
| 2. | Share Application Money / Current account of Partner or Proprietor, if any, | NIL | NIL |
| 3. | Reserves and Surplus / Profit and Loss Account | NIL | NIL |
| 4. | Secured loans | NIL | NIL |
| 5. | Unsecured loans | 57,55,437 | NIL |
| 6. | Current liabilities and provisions | 29,49,690 | 5847 |
| 7. | Total of Balance Sheet | 2,21,13,745 | 55,70,347 |
| 8. | Gross turnover / gross receipts <u>Instalment Received</u> | 22,10,000 | NIL |
| 9. | Gross profit / <u>Estimated Profit</u> | 7,92,500 | NIL |
| 10. | Commission received | NIL | NIL |
| 11. | Commission paid | 2,829-00 | NIL |
| 12. | Interest received | NIL | NIL |
| 13. | Interest paid | 2,91,177 | NIL |
| 14. | Depreciation as per books of account | 33,029 | NIL |
| 15. | Net profit (or loss) before tax as per Profit and Loss Account | 7,92,500 | NIL |
| 16. | Taxes on income paid/provided for in the books | NIL | NIL |

Place : Secunderabad

Date : 20/10/2006

FOR MODI VENTURES
[Signature]
Partner



Note : *Please enter the relevant Code pertaining to the main area of your business activity. The codes are as follows:

| Sector | Sub-Sector | Code |
|----------------------------|---|------|
| (1) Manufacturing Industry | Agro-based industries | 0101 |
| | Automobile and Auto parts | 0102 |
| | Cement | 0103 |
| | Diamond cutting | 0104 |
| | Drugs and pharmaceuticals | 0105 |
| | Electronics including Computer Hardware | 0106 |
| | Engineering goods | 0107 |
| | Fertilizers, Chemicals, Paints | 0108 |
| | Flour and Rice Mills | 0109 |
| | Food Processing Units | 0110 |
| | Marble and Granite | 0111 |
| | Paper | 0112 |

| Sector | Sub-Sector | Code |
|------------------------------|---|------|
| | Petroleum and Petrochemicals | 0113 |
| | Power and energy | 0114 |
| | Printing and Publishing | 0115 |
| | Rubber | 0116 |
| | Steel | 0117 |
| | Sugar | 0118 |
| | Tea, Coffee | 0119 |
| | Textiles, Handloom, Powerlooms | 0120 |
| | Tobacco | 0121 |
| | Tyre | 0122 |
| | Vanaspati and Edible Oils | 0123 |
| | Others | 0124 |
| (2) Trading | Chain Stores | 0201 |
| | Retailers | 0202 |
| | Wholesalers | 0203 |
| | Others | 0204 |
| (3) Commission Agents | General Commission Agents | 0301 |
| (4) Builders | Builders | 0401 |
| | Estate Agents | 0402 |
| | Property Developers | 0403 |
| | Others | 0404 |
| (5) Contractors | Civil Contractors | 0501 |
| | Excise Contractors | 0502 |
| | Forest Contractors | 0503 |
| | Mining Contractors | 0504 |
| | Others | 0505 |
| (6) Professionals | Chartered Accountants, Auditors, etc. | 0601 |
| | Fashion designers | 0602 |
| | Legal professionals | 0603 |
| | Medical professionals | 0604 |
| | Nursing Homes | 0605 |
| | Specialty hospitals | 0606 |
| | Others | 0607 |
| (7) Service sector | Advertisement agencies | 0701 |
| | Beauty Parlours | 0702 |
| | Consultancy services | 0703 |
| | Courier Agencies | 0704 |
| | Computer training/educational and coaching institutes | 0705 |
| | Forex Dealers | 0706 |
| | Hospitality Services | 0707 |
| | Hotels | 0708 |
| | I.T. enabled services, BPO service providers | 0709 |
| | Security agencies | 0710 |
| | Software development agencies | 0711 |
| | Transporters | 0712 |
| | Travel agents, tour operators | 0713 |
| | Others | 0714 |
| (8) Financial Service Sector | Banking Companies | 0801 |
| | Chit Funds | 0802 |
| | Financial Institutions | 0803 |
| | Financial service providers | 0804 |
| | Leasing Companies | 0805 |
| | Money Lenders | 0806 |
| | Non Banking Finance Companies | 0807 |
| | Share Brokers, Sub-brokers, etc. | 0808 |
| | Others | 0809 |
| (9) Entertainment Industry | Cable T.V. productions | 0901 |
| | Film distribution | 0902 |
| | Film laboratories | 0903 |
| | Motion Picture Producers | 0904 |
| | Television Channels | 0905 |
| | Others | 0906 |

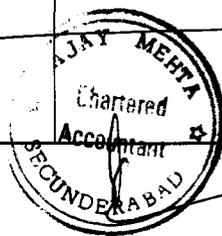
"ANNEXURE-II"

VALUE OF FRINGE BENEFITS IN TERMS OF SECTION 115WC READ WITH SECTION 115WB FOR THE ASSESSMENT YEAR 2006-2007

| Sl. No. | Section under which chargeable to Fringe Benefit Tax | Nature of expenditure/ payment | Amount of expenditure incurred or payment made | | | | Deductions, if any | Total | Percentage of expenditure/ payment being fringe benefits | Value of fringe benefits |
|---------|--|--|--|------------------------------------|---------------|----------------|--------------------|--------------|--|--------------------------|
| | | | Debited to the Profit and Loss Account | Accounted for in the balance sheet | Reimbursement | Any other head | | | | |
| (1) | (2) | (3) | (4) | | | | (5) | (6) (4-5) | (7) | (8) |
| (1) | 115WB(1)(b) | Free or concessional ticket provided by the employer for private journeys of his employees or their family members | | | 2200 | | | | 100% | |
| (2) | 115WB(1)(c) | Any contribution by the employer to any approved Super-annuation fund for employees (see Note 1) | | | 2200 | | | | 100% | |
| (3) | 115WB(2)(A) | Entertainment | | | 2200 | | | | 20% | |
| (4) | 115WB(2)(B) | Provision of Hospitality of every kind by the employer to any person (see Note 2) | | | 2200 | | | | 20% (see Note 3) | |

For MODI VENTURES

John Mehta
Partner



| (1) | (2) | (3) | (4) | | | | (5) | (6) (4-5) | (7) | (8) |
|------|-------------|--|---------|-----------------|---------|-----|---------|--------------------------|---------|-----|
| (5) | 115WB(2)(C) | Conference (other than fee for participation by the employees in any conference) (see Note 4) | | ————— NDL ————— | | | | 20% | | |
| (6) | 115WB(2)(D) | Sales promotion including publicity (see Note 5) | | ————— NDL ————— | | | | 20% | | |
| (7) | 115WB(2)(E) | Employees' Welfare (see Note 6) | 7371.00 | ————— NDL ————— | 7371.00 | NDL | 7371.00 | 20% | 1474.00 | |
| (8) | 115WB(2)(F) | Conveyance, tour and travel (including foreign travel (see Note 7) | 5822.00 | ————— NDL ————— | 5822 | NDL | 5822.00 | 20% 5/10 (see Note 8) | 291.00 | |
| (9) | 115WB(2)(G) | Use of hotel, boarding and lodging facilities | | ————— NDL ————— | | | | 20% (see Note 9) | | |
| (10) | 115WB(2)(H) | Repair, running (including fuel), maintenance of motor cars and the amount of depreciation thereon | | ————— NDL ————— | | | | 20% (see Note 10) | | |
| (11) | 115WB(2)(I) | Repair, running (including fuel) and maintenance of aircrafts and the amount of depreciation thereon | | ————— NDL ————— | | | | 20% (see Note 11) | | |

John
Partner

FOR MODI VENTURES

| (1) | (2) | (3) | (4) | | | | (5) | (6) (4-5) | (7) | (8) |
|------|-------------|--|----------|-------|-----------|----------|-----|--------------|-----|---------|
| (12) | 115WB(2)(J) | Use of telephone (including mobile phone) other than expenditure on leased telephone lines | 17163.00 | _____ | n2c _____ | 17163.00 | n2c | 17163 | 20% | 3432 |
| (13) | 115WB(2)(K) | Maintenance of any accommodation in the nature of guest house other than accommodation used for training purposes. | | _____ | n2c _____ | | | | 20% | |
| (14) | 115WB(2)(L) | Festival celebrations | | _____ | n2c _____ | | | | 50% | |
| (15) | 115WB(2)(M) | Use of health club and similar facilities | | _____ | n2c _____ | | | | 50% | |
| (16) | 115WB(2)(N) | Use of any other club facilities | | _____ | n2c _____ | | | | 50% | |
| (17) | 115WB(2)(O) | Gifts | 10575 | _____ | n2c _____ | 10575. | n2c | 10575 | 50% | 5287.50 |
| (18) | 115WB(2)(P) | Scholarships | | _____ | n2c _____ | | | | 50% | |
| (19) | 115WB(2)(Q) | Tour and Travel (including foreign travel) (see Note 12) | | _____ | n2c _____ | | | | 5% | |
| (20) | Total | | 40931 | _____ | n2c _____ | 40931 | n2c | 40931 | - | 10485 |

For MODI VENTURES

Om Modi
Partner



Notes:

1. For assessment year 2007-08 and subsequent assessment years, the value of fringe benefits in respect of contribution by the employer to an approved superannuation fund shall be the amount of contribution which exceeds one lakh rupees in respect of each employee.
2. Expenditure on hospitality does not include the following:-
 - (i) any expenditure on, or payment for, food or beverage provided by the employer to his employees in office or factory;
 - (ii) any expenditure on, or payment through paid vouchers which are not transferable and usable only at eating joints or outlets.
3. In the case of an employer engaged in the business of hotel, 5% shall be substituted for 20%. In addition to this, in the case of an employer engaged in the business of carriage of passenger or goods by aircraft or by ship 5% shall be substituted for 20% for assessment year 2007-08 and subsequent assessment years.
4. For the purposes of this clause, any expenditure on conveyance, tour and travel (including foreign travel), on hotel, or boarding and lodging in connection with any conference shall be deemed to be expenditure incurred for the purposes of conference.
5. The following expenditure on advertisement shall not be considered as expenditure on sales promotion including publicity:-
 - (i) the expenditure (including rental) or advertisement of any form in any print (including journals, catalogues or price lists) or electronic media or transport system;
 - (ii) the expenditure on the holding of, or the participation in, any press conference or business convention, fair or exhibition;
 - (iii) the expenditure on sponsorship of any sport event or any other event organized by any Government agency or trade association or body;
 - (iv) the expenditure on the publication in any print or electronic media of any notice required to be published by or under any law or by an order of a court or Tribunal;
 - (v) the expenditure on advertisement by way of signs, art work, painting, banners, awnings, direct mail, electric spectaculars, kiosks, hoardings, bill boards or by way of such other medium of advertisement;
 - (vi) the expenditure by way of payment of any advertising agency for the purposes of clauses (i) to (v) above;
 - (vii) the expenditure on distribution of free samples of medicines or of medical equipment to doctors (not to be considered as expenditure on sales promotion, including publicity for assessment year 2007-08 and subsequent assessment years);
 - (viii) the expenditure by way of payment to any person of repute for promoting the sale of goods or services of the business of employer (not to be considered as expenditure on sales promotion, including publicity for assessment year 2007-08 and subsequent assessment years).
6. For the purposes of this clause, any expenditure incurred or payment made to fulfil any statutory obligation or mitigate occupational hazards or provide first aid facilities in the hospital or dispensary run by the employer shall not be considered as expenditure for employees' welfare.
7. For assessment year 2007-08 and subsequent assessment years, clause (F) of sub-section (2) of section 115WB refers to expense on 'conveyance'.
8. In the case of an employer engaged in the business of construction, or in the business of manufacture or production of pharmaceuticals or computer software, 5% shall be substituted for 20 per cent.
9. In the case of an employer engaged in the business of manufacture or production of pharmaceuticals or computer software, 5% shall be substituted for 20%. Besides, in the case of an employer engaged in the business of carriage of passengers or goods by aircraft or by ship, 5% shall be substituted for assessment year 2007-08 and subsequent assessment years.
10. In the case of an employer engaged in the business of carriage of passengers or goods by motor car, 5% shall be substituted for 20%.
11. In the case of an employer engaged in the business of carriage of passengers or goods by aircraft, 'NIL' shall be substituted for 20%.
12. This clause is applicable for assessment year 2007-08 and subsequent assessment years".

MODI VENTURES

5-4-187/3 & 4, II Floor, M.G. Road, Secunderabad – 500 003.

Phone : 66335551

CERTIFICATE

This is to certify that loan transactions covered u/s.269SS & 269T of IT Act, 1961 during the financial year 2005-2006 has been made by an account payee Cheque or an account payee draft, as the case may be.

For MODI VENTURES,



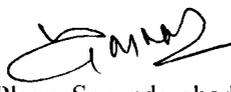
PARTNER.

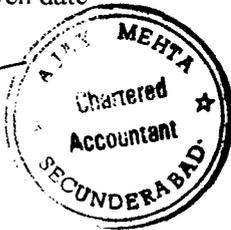
M/s. MODI VENTURES
5-4-187/ 3 & 4, 3rd Floor, Soham Mansion,
M.G.Road, Secunderabad - 500 003.
Assessment Year: 2006- 2007
BALANCE SHEET AS ON 31.03.2006

| <u>Liabilities</u> | <u>Amount Rs.</u> | <u>Assets</u> | <u>Amount Rs.</u> |
|------------------------------------|----------------------|-----------------------------|----------------------|
| Partners' Capital | | Cash on Hand | |
| 1. Modi Housing Pvt Ltd | 10,480,303.22 | Cash | 102,003.50 |
| 2. Ashish Modi | 1,408,779.56 | | |
| 3. Nirav Modi | 1,517,779.56 | Cash at Bank | |
| 4. Gaurang Modi | 1,755.92 | Annexure - V | 1,069,864.82 |
| Unsecured Loans | | Fixed Assets | |
| Annexure - I | 5,755,437.00 | Annexure - VI | 85,675.00 |
| Customer Accounts | | Deposits | |
| Annexure -II | 144,640.00 | Annexure - VII | 4,278,000.00 |
| Outstanding Amounts Payable | | Loans & Advances | |
| Annexure - III | 269,988.50 | Annexure - VIII | 586,985.74 |
| Sundry Creditors | | Work in Progress | |
| Annexure - IV | 325,061.50 | Annexure - IX | 8,050,651.20 |
| Installments Recd | | Sundry Debtors | |
| Annexure - XI | 2,210,000.00 | Annexure - X | 885,000.00 |
| | | Inventories | |
| | | Annexure - XII | 7,055,565.00 |
| | 22,113,745.26 | | 22,113,745.26 |

Notes to Accounts Annexure -XIII

As per my report of even date


Place: Secunderabad
Date : 20/10/2006



for MODI VENTURES


Partner

PROFIT & LOSS ACCOUNT FOR YEAR ENDING 31.03.2006

| | | | |
|-------------------------------------|---------------------|---|---------------------|
| To Advertising Charges | 95,861.00 | By Booking Amount Forfeited | 10,000.00 |
| To Legal Expenses | 11,320.00 | By Interest on FDR | 58,867.97 |
| To Audit Fee | 6,612.00 | By Misc. Receipts | 10,100.00 |
| To Miscellaneous Expenses | 6,906.00 | By Sundry Balances Written Off | 55.00 |
| To Postage & Courier | 106.00 | By Estimated Profit @ 25% on Installments | |
| To Printing & Stationary | 189,169.00 | Received during the year | 552,500.00 |
| To Vehicle Repairs & Maintenance | 1,188.00 | | |
| To Xerox Charges | 1,490.00 | By Estimated Profit @ 8% on Contract | |
| To Fringe Benefit Tax | 1,559.00 | Receipts during the year | 240,000.00 |
| To Service Tax | 204.00 | | |
| To Depreciation | 33,029.00 | By Net Loss apportioned among | |
| To Salary Paid | 71,111.00 | the Partners | |
| To House Keeping Charges | 6,475.00 | 1. Modi Housing Pvt Ltd 45% | 74,196.78 |
| To Office Maintenance Expenses | 4,883.00 | 2. Ashish P. Modi 25% | 41,220.44 |
| To Repairs & Maint. Office Equipmen | 2,800.00 | 3. Nirav P. Modi 25% | 41,220.44 |
| To Staff Welfare | 7,371.00 | 4. Gaurang Modi 05% | 8,244.08 |
| To Bonus Paid | 6,412.00 | | |
| To Bank Charges | 4,197.72 | | |
| To Marketing Fee | 240,000.00 | | |
| To Professional Charges | 5,000.00 | | |
| To Interest on Unsecured Loans | 291,177.00 | | |
| To Tax Deducted at Source | 6,604.99 | | |
| To Registration Charges | 40,100.00 | | |
| To Commission Paid | 2,829.00 | | |
| | 1,036,404.71 | | 1,036,404.71 |

Notes to Accounts Annexure -XIII

As per my report of even date

Place: Secunderabad

Date : 20.10.2006



for MODI VENTURES

 A handwritten signature in black ink, appearing to read "John Mehta", written over the word "Partner".

Partner

Modi Ventures

A.Y. 2006-07

Partners' Capital Accounts
Copy of Capital Account of M/s.Modi Housing Pvt Ltd

| | | | |
|--|----------------------|-------------------------------------|----------------------|
| To Share of Loss trnsfd from P & L A/c. | 74,196.78 | By Opening Balance as on 01/04/04 | 4,954,500.00 |
| To Balance c/fd | 10,480,303.22 | By Cheques received during the year | 5,600,000.00 |
| | <u>10,554,500.00</u> | | <u>10,554,500.00</u> |

Copy of Capital Account of Shri. Ashish P.Modi

| | | | |
|--|---------------------|---------------------------------|---------------------|
| To Share of Loss trnsfd from P & L A/c. | 41,220.44 | By Opening Balance b/fd. | 300,000.00 |
| To Balance c/fd | 1,408,779.56 | By Cheques recd during the year | 1,150,000.00 |
| | <u>1,450,000.00</u> | | <u>1,450,000.00</u> |

Copy of Capital Account of Shri. Nirav P.Modi

| | | | |
|--|---------------------|---------------------------------|---------------------|
| To Share of Loss trnsfd from P & L A/c. | 41,220.44 | By Opening Balance b/fd. | 300,000.00 |
| To Balance c/fd | 1,517,779.56 | By Amounts recd during the year | 1,259,000.00 |
| | <u>1,559,000.00</u> | | <u>1,559,000.00</u> |

Copy of Capital Account of Shri. Gaurang Mody

| | | | |
|--|------------------|--------------------------|------------------|
| To Share of Loss trnsfd from P & L A/c. | 8,244.08 | By Opening Balance b/fd. | 10,000.00 |
| To Balance c/fd. | 1,755.92 | | |
| | <u>10,000.00</u> | | <u>10,000.00</u> |



For MODI VENTURES

Jh Mal
Partner

Annexure - I
Unsecured Loans

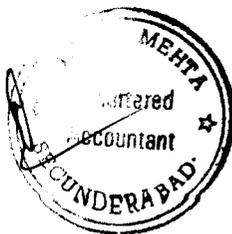
| | | |
|---|--------------------------------|---------------------|
| 1 | Ajay C Mehta - HUF | 391,674.00 |
| 2 | Anitha Mehta | 331,898.00 |
| 3 | Ankit Mehta | 218,946.00 |
| 4 | Jagannath Sitaram Baldva - HUF | 1,000,000.00 |
| 5 | Kumkum Mehta | 651,215.00 |
| 6 | Neha Mehta | 41,500.00 |
| 7 | Sarala Mehta | 310,102.00 |
| 8 | Sri Kishan Badruka | 2,500,000.00 |
| 9 | Vishal Mehta | 310,102.00 |
| | | 5,755,437.00 |

Annexure -II
Customer Accounts

| | | |
|---|------------------------|-------------------|
| 1 | C -113 S.G.Bhatt | 29,640.00 |
| 2 | C- 212 Mrs. Rama Shree | 115,000.00 |
| | | 144,640.00 |

Annexure - III
Outstanding Amounts Payable

| | | |
|-------------------------------|-----------------------------------|-------------------|
| <u>Cancelled Flats</u> | | |
| 1 | B-111 Uvraj | 5,000.00 |
| 2 | B-208 Shankaraiah | 10,000.00 |
| 3 | B-312/313 T.Raja Suman Kumar | 10,000.00 |
| 4 | B-317 Bal Reddy | 15,000.00 |
| 5 | C-107 Sujatha | 50,000.00 |
| 6 | C-201 Mrs. Y.Anita | 15,000.00 |
| 7 | C-205 K. Padma | 5,000.00 |
| 8 | C-309 Sharat Kumar | 10,000.00 |
| 9 | C-313 Venkat Swamy | 15,000.00 |
| 10 | C-406 K.Sridhar | 10,000.00 |
| 11 | C- 107 G.Rangacharyulu | 10,000.00 |
| 12 | C-506 Vinay Agarwal | 10,000.00 |
| 13 | <u>Outstanding Amounts</u> | |
| 14 | TDS Payable | 21,418.50 |
| 15 | Salary Payable | 53,096.00 |
| 16 | Audit Fee Payable | 5,612.00 |
| 17 | Bonus Payable | 24,862.00 |
| | | 269,988.50 |



For MODI VENTURES
[Signature]
Partner

Modi Ventures

Asst. Year 2006-2007

**Annexure - IV
Sundry Creditors**

| | | |
|---|---------------------------------------|-------------------|
| 1 | United Security Service | 11,450.00 |
| 2 | Bhavana House Keeping | 1,886.00 |
| 3 | Narasimha Reddy -Centering Contractor | 75,807.50 |
| 4 | Modi Properties & Investments Pvt Ltd | 113,518.00 |
| 5 | Vishwajit Castings & engg Works | 4,500.00 |
| 6 | Sri Sai Builders | 117,400.00 |
| 7 | Modi Estates | 500.00 |
| | | 325,061.50 |

Annexure - V**Cash at Bank**

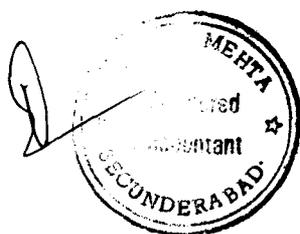
| | | |
|---|------------------------------|---------------------|
| 1 | S.B.I. M.G.Road, Sec'bad | 80,754.30 |
| 2 | HDFC Bank, S.D.Road, Sec'bad | 989,110.52 |
| | | 1,069,864.82 |

Annexure - VI**Fixed Assets**

| | <u>Name of the Asset</u> | <u>Opening Balance</u> | <u>Purchased before 30/09/2005</u> | <u>Purchased after 30/09/2005</u> | <u>Depreciation 2005-2006</u> | <u>W.D.V.</u> |
|---|--------------------------|------------------------|------------------------------------|-----------------------------------|-------------------------------|------------------|
| 1 | Camera | - | 5,200.00 | - | 780.00 | 4,420.00 |
| 2 | Cellular Phones | 1,773.00 | - | 2,888.00 | 699.00 | 3,962.00 |
| 3 | Computers | 3,181.00 | 29,300.00 | 24,132.00 | 26,729.00 | 29,884.00 |
| 4 | Cooler | - | - | 5,150.00 | 386.00 | 4,764.00 |
| 5 | Furniture & Fixt | 1,856.00 | 29,949.00 | - | 2,432.00 | 29,373.00 |
| 6 | Printer | - | 9,250.00 | - | 1,388.00 | 7,862.00 |
| 7 | UPS | - | 2,175.00 | 3,850.00 | 615.00 | 5,410.00 |
| | | 6,810.00 | 75,874.00 | 36,020.00 | 33,029.00 | 85,675.00 |

Annexure - VII**Deposits**

| | | |
|---|-------------------------------------|---------------------|
| 1 | Cell Phone Deposits | 500.00 |
| 2 | Fixed Deposites in HDFC Bank | 1,275,000.00 |
| 3 | Sri Sai Builders - Security Deposit | 3,000,000.00 |
| 4 | Telephone Deposits | 2,500.00 |
| | | 4,278,000.00 |

**For MODI VENTURES**

John Modi
Partner

Modi Ventures

Asst. Year 2006-2007

Annexure - VIII
Loans & Advances

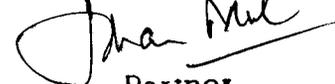
| | | |
|---|---------------------------|-------------------|
| 1 | Staff - Petty Cash | 17,400.00 |
| 2 | Loans- Contractors/Others | 111,491.00 |
| 3 | Advances - Contractors | 363,063.74 |
| 4 | Staff -Loans | 95,031.00 |
| | | 586,985.74 |

Annexure - IX
Work in Progress

| | | |
|---|-------------------------------|---------------------|
| 1 | Compound Wall/Security Room C | 961,604.50 |
| 2 | Work-in-Progress | 7,089,046.70 |
| | | 8,050,651.20 |

Annexure - X
Sundry Debtors

| | | |
|----|---------------------------------------|-------------------|
| 1 | B-104 Mrs. Sowjanya | 50,000.00 |
| 2 | B-109 Master. Madhusudhan | 50,000.00 |
| 3 | B-117 Mr. Vijay Kaushik | 70,000.00 |
| 4 | B-207 Mr. M. Ashok | 50,000.00 |
| 5 | B-214 Mr. Shashi Kiran & Mrs. Shanthi | 20,000.00 |
| 6 | B-309 Mr. Madhusudha Reddy | 50,000.00 |
| 7 | B-315 Mrs. Anjana | 55,000.00 |
| 8 | B-416 Mr. P. Lakshmi Reddy | 70,000.00 |
| 9 | B-417 Mr. B. Gangadhar Raju | 70,000.00 |
| 10 | C-108 Mr. A. Samba Shiv Rao | 25,000.00 |
| 11 | C-110 Mrs. Shaik Karimenuasia | 30,000.00 |
| 12 | C-201 Rekha B.Das Gupta | 70,000.00 |
| 13 | C-206 Mr. M.V. Ramana Murthy | 40,000.00 |
| 14 | C-306 Mr. Srikanth | 50,000.00 |
| 15 | C-313 Mr. Jiltendra Bhavrani | 70,000.00 |
| 16 | C-413 Mr. Utpal Singh | 70,000.00 |
| 17 | C-509 Mrs. Y. Aruna | 45,000.00 |
| | | 885,000.00 |

**For MODI VENTURES**
Partner

Annexure - XI
Installments Received

| | | | |
|----|---------------|-------------------------|-----------|
| 1 | A - 412 | Mrs. T. Jyothi | 15,000.00 |
| 2 | A - 413 | Mrs. T. Jyothi | 15,000.00 |
| 3 | B - 102 | Mr. P. Ramesh | 60,000.00 |
| 4 | B - 104 | Mrs. Sowjanya | 60,000.00 |
| 5 | B - 106 | Mr. C. Srinivas | 10,000.00 |
| 6 | B - 109 | Mr. Master Madhu | 60,000.00 |
| 7 | B - 117 | Mr. Vijay Kaushik | 85,000.00 |
| 8 | B - 201 | Mrs. Momitha Upadaya | 10,000.00 |
| 9 | B - 202 | Dr. Ajit Kumar Ghosh | 10,000.00 |
| 10 | B - 203 | Mr. Bhagavathulu | 60,000.00 |
| 11 | B - 207 | Mr. Ashok | 60,000.00 |
| 12 | B - 210 & 211 | Mr. B.A..S. Raju | 15,000.00 |
| 13 | B - 214 | Mr. M. Narayana | 85,000.00 |
| 14 | B - 216 | Mr. T. Suresh Babu | 85,000.00 |
| 15 | B - 217 | Mr. Chakradhar | 85,000.00 |
| 16 | B - 301 | Mrs. P. Savithri | 60,000.00 |
| 17 | B - 303 | Mr. Venkatachalam | 10,000.00 |
| 18 | B - 309 | Mrs. Vijay Mary | 60,000.00 |
| 19 | B - 314 | Mr. Dinakar Vajrakanth | 15,000.00 |
| 20 | B - 315 | Mrs. B. Anjana | 85,000.00 |
| 21 | B - 401 | Mr. K. Raj Reddy | 60,000.00 |
| 22 | B - 403 | Mr. Jagdish Patel | 10,000.00 |
| 23 | B - 404 | Mr. Hansa Patel | 10,000.00 |
| 24 | B - 405 | Mrs. Rekha Patel | 10,000.00 |
| 25 | B-410/411 | Kanta Ratnam Patnaik | 60,000.00 |
| 26 | B - 416 | Mrs. P. Lakshmi | 80,000.00 |
| 27 | B - 417 | Mr. Gangadhar | 85,000.00 |
| 28 | B - 418 | Mr. Rajesh Khanna | 15,000.00 |
| 29 | B - 503 | Mrs. Sonal Patel | 10,000.00 |
| 30 | B - 504 | Mrs. Anju Patel | 10,000.00 |
| 31 | B - 509 | Mrs. Aruna | 60,000.00 |
| 32 | C - 101 | Dr. Sree Ranga Lakshmi | 85,000.00 |
| 33 | C - 108 | Mr. A.S.Rao | 60,000.00 |
| 34 | C - 109 | Mr. Shaik Amer | 35,000.00 |
| 35 | C - 110 | Mrs. Shaik Karimunisa | 35,000.00 |
| 36 | C - 112 | Mr. Ganta Srinivas | 35,000.00 |
| 37 | C - 113 | Mr. S.G.Bhat | 85,000.00 |
| 38 | C - 201 | Mrs. Rekha B. Das Gupta | 85,000.00 |
| 39 | C - 206 | Mr. M. V. Ramana Murthy | 60,000.00 |
| 40 | C - 208 | Mr. Bhanu Murthy | 10,000.00 |
| 41 | C - 210 | Mrs. Swarnalatha | 5,000.00 |

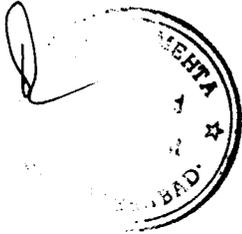
**For MODI VENTURES**
Partner

Modi Ventures

| | | | Asst. Year 2006-2007 |
|----|---------|----------------------|-----------------------------|
| 42 | C - 211 | Mrs. M. Rama Devi | 35,000.00 |
| 43 | C - 212 | Mrs. Rama Sree | 35,000.00 |
| 44 | C - 306 | Mr. Mukkera Srikanth | 60,000.00 |
| 45 | C - 307 | Mr. S.B.Ranganadh | 60,000.00 |
| 46 | C - 313 | Mr. Jitendra Baldva | 85,000.00 |
| 47 | C - 413 | Mr. Utpal Singh | 85,000.00 |
| | | | <u>2,210,000.00</u> |

Annexure - XII**Inventories**

| | | |
|---|---|----------------------------|
| 1 | Inventories - Land (At cost) | 4,015,000.00 |
| 2 | Reg.Charges | 53,100.00 |
| 3 | Development Charges/Building Permit Fee | 2,987,465.00 |
| | | <u>7,055,565.00</u> |

**For MODI VENTURES**

A handwritten signature in black ink, appearing to read "John Paul".

Partner

Modi Ventures**A.Y.2006-07****Inventories Account**

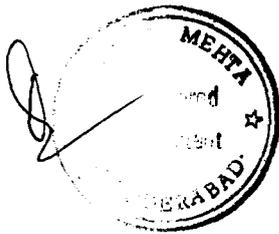
| | <u>A.Y. 2004-05</u> | <u>A.Y.2005-06</u> | <u>A.Y.2006-07</u> | <u>Total</u> |
|-------------------------|---------------------|--------------------|---------------------|---------------------|
| 1 Land | 15,000.00 | - | 4,000,000.00 | 4,015,000.00 |
| 2 Reg.Charges | - | - | 53,100.00 | 53,100.00 |
| 2 Processing/Developmen | 248,748.00 | 115,184.00 | 2,623,533.00 | 2,987,465.00 |
| | 263,748.00 | 115,184.00 | 6,676,633.00 | 7,055,565.00 |

Compound Wall/Security room Construction Account

| | <u>A.Y. 2004-05</u> | <u>A.Y.2005-06</u> | <u>A.Y.2006-07</u> | <u>Total</u> |
|----------------|---------------------|--------------------|--------------------|-------------------|
| Constn account | 716,756.20 | 244,848.30 | - | 961,604.50 |
| | 716,756.20 | 244,848.30 | - | 961,604.50 |

Work - in- Progress

| | |
|---|----------------------|
| Opening Balance as on 01.04.2005 | 96,835.00 |
| Add: Estimated Profit declared @ 25% on Installments Recd. | 552,500.00 |
| Add: Construction Expenditure during the year | |
| 1 Building Materials | 7,323,471.00 |
| 2 Other Materials | 22,188.00 |
| 3 Other Expenses | 167,096.20 |
| 4 Labour Charges & Other Allowances | 1,164,753.00 |
| 5 Architect Fee | 204,080.00 |
| 6 Salaries & Admn Exp | 271,384.00 |
| 7 Pre-Operative Expenses | 46,739.50 |
| 8 Estimated Profit on Construction Receipts @ 8% on 30 lakhs | 240,000.00 |
| | 10,089,046.70 |
| Less: Received from Sri Sai Builders against construction work | 3,000,000.00 |
| | 7,089,046.70 |

**For MODI VENTURES**

[Signature]
Partner

Details of Work - in-Progress
Building Materials

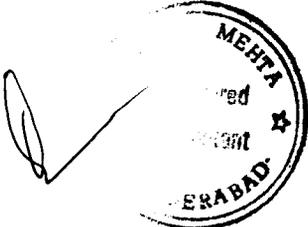
| | | |
|----|-------------------------------|----------------------------|
| 1 | Ballies / Thadakas | 8,075.00 |
| 2 | Bricks / Stones | 374,210.00 |
| 3 | Building Material | 269,015.00 |
| 4 | Cement | 996,192.00 |
| 5 | Chemicals | 860.00 |
| 6 | Chips & Stone Dust | 103,465.00 |
| 7 | Civil Equipment | 11,025.00 |
| 8 | Doors | 14,273.00 |
| 9 | Drip Irrigation Material | 6,747.00 |
| 10 | Electrical Goods / Cable | 84,121.00 |
| 11 | Granite / Bended Stones | 66,416.00 |
| 12 | Hardware Material | 143,091.00 |
| 13 | Hollow Blocks | 60,339.00 |
| 14 | Metal | 300,296.00 |
| 15 | Paints | 25,671.00 |
| 16 | Pipes | 129,900.00 |
| 17 | Plat Form Trolley | 11,313.00 |
| 18 | Plumbing & Sanitary Materials | 95,825.00 |
| 19 | Plywood / Glass | 7,599.00 |
| 20 | Pump / Motor Set | 52,783.00 |
| 21 | Sand | 330,059.00 |
| 22 | Steel | 4,160,829.00 |
| 23 | Sundry Purchases | 13,819.00 |
| 24 | Tiles | 21,761.00 |
| 25 | Tools / Batteries | 35,787.00 |
| | | <u>7,323,471.00</u> |

OTHER MATERIAL

| | | |
|---|--|-------------------------|
| 1 | Loading & Unloading Charges / Hamali Charges | 7,676.00 |
| 2 | Petrol / Diesel & Waste Oil | 14,512.00 |
| | | <u>22,188.00</u> |

OTHER EXPENSES

| | | |
|---|-------------------------------|-----------|
| 1 | Building Risk Insurance | 32,027.00 |
| 2 | Business Promotion Expenses | 10,575.00 |
| 3 | Car Hire Charges | 5,656.00 |
| 4 | Electricity Charges Paid | 33,223.00 |
| 5 | Exibhition Charges | 15,000.00 |
| 6 | Miscellneaous Expenses - Site | 1,162.20 |
| 7 | Telephone Calls & Charges | 17,163.00 |
| 8 | Consultancy Charges | 52,290.00 |

**For MODI VENTURES****Partner**

Modi Ventures

167,096.20

A.Y.2006-07

LABOUR CHARGES & ALLOWANCES

| | | |
|---|----------------------------|---------------------|
| 1 | Consumables Allowances | 36,222.00 |
| 2 | Gardening Charges | 2,250.00 |
| 3 | Hire Charges | 400,324.00 |
| 4 | Hire Charges for Equipment | 501,551.00 |
| 5 | Job Work | 9,815.00 |
| 6 | Labour Charges | 214,591.00 |
| | | 1,164,753.00 |

ARCHITECT FEE & OTHER CONSULTANCY CHARGES

| | | |
|---|----------------|-------------------|
| 1 | Dattatreya Rao | 204,080.00 |
| | | 204,080.00 |

SALARIES & ADMINSTRATIVE EXPENSES

| | | |
|---|-----------------------|-------------------|
| 1 | Cell Phone Allowances | 2,750.00 |
| 2 | Conveyance Exp | 6,048.00 |
| 3 | Leave Encashment | 1,540.00 |
| 4 | Salaries | 181,770.00 |
| 5 | Security Charges | 60,826.00 |
| 6 | Bonus | 18,450.00 |
| | | 271,384.00 |

DEVELOPMENT CHARGES & FEES

| | | |
|---|--------------------------|---------------------|
| 1 | Building Permission Fees | 2,623,533.00 |
| | | 2,623,533.00 |

STAFF- PETTTY CASH ACCOUNTS

| | | |
|---|----------------------------------|------------------|
| 1 | A. Ramesh Petty Cash Account | 6,000.00 |
| 2 | Chandra Mohan Petty Cash Account | 2,000.00 |
| 3 | Jai Kumar Petty Cash Account | 400.00 |
| 4 | Sai Kumar Petty Cash Account | 2,000.00 |
| 5 | Shanker Reddy Petty Cash Account | 6,500.00 |
| 6 | Mahender Petty Cash | 500.00 |
| | | 17,400.00 |

LOANS- CONTRACTORS / OTHERS

| | | |
|---|---|-------------------|
| 1 | Ramulu Loan | 30,000.00 |
| 2 | T.Murthy Loan | 10,000.00 |
| 3 | Venkateshwarlu Loan | 47,980.00 |
| 4 | Kesoram Sunderlal Fathepuri (Bharath Petroleum) | 23,511.00 |
| | | 111,491.00 |



For MODI VENTURES

[Signature]
Partner

Modi Ventures**A.Y.2006-07****ADVANCES CONTRACTORS**

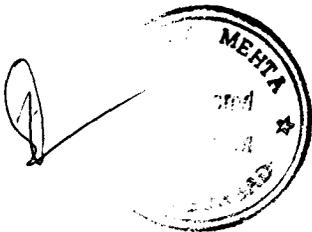
| | | |
|----|------------------------------|-------------------|
| 1 | Appal Swamy On Account | 1,862.00 |
| 2 | Babu Rao On Account | 18,958.00 |
| 3 | Ishay On Account | 660.00 |
| 4 | Mahaboob On Account | 3,609.00 |
| 5 | Mannem On Account | 79,099.00 |
| 6 | Murali (Material) | 6,128.50 |
| 7 | Material | 77,997.00 |
| 8 | Murali On Account | 2,822.00 |
| 9 | Ramulu On Account | 2,800.00 |
| 10 | Sidarth Reddy On Account | 600.00 |
| 11 | T.Murthy On Account | 107,725.00 |
| 12 | T.Murthy / Kerb Stones | 4,000.00 |
| 13 | T. Shiva Ram On Account | 52,082.00 |
| 14 | Valu Chamy On Account | 2,190.00 |
| 15 | Vijay | 2,200.00 |
| 16 | Interest accrued but not due | 242.24 |
| 17 | Tirumala Graphics | 89.00 |
| | | 363,063.74 |

STAFF- LOANS

| | | |
|---|------------------|------------------|
| 1 | A.Ramesh | 26,095.00 |
| 2 | Chandra Mohan | 1,450.00 |
| 3 | K.Rama Devi | 3,110.00 |
| 4 | Narsing Deshmukh | 2,112.00 |
| 5 | Tanveer Khan | 1,894.00 |
| 6 | Badrinath | 4,500.00 |
| 7 | Dayal | 55,870.00 |
| | | 95,031.00 |

Pre-Operative Expenses**From 01.04.2005 to 29.09.2005**

| | | |
|---|-------------------------------|------------------|
| 1 | Advertisement | 6,190.00 |
| 2 | Legal Expenses | 2,990.00 |
| 3 | Misc.Exp | 4,640.00 |
| 4 | Printing & Stationery | 1,391.50 |
| 5 | Vehicle Repairs & Maintenance | 154.00 |
| 6 | Bank Charges | 31,374.00 |
| | | 46,739.50 |



For MODI VENTURES
John Mehta
Partner

Annexure – XIII - Notes to Accounts

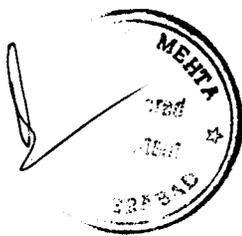
1. Significant Accounting Policies
 - a) Accounting Conventions:

The Accounts have been prepared using historical cost conventions and on the basis of a going concern with revenues recognized and expenses incurred on accrual basis unless otherwise stated.
 - b) Revenue Recognition:

Revenue from Housing Project which is carried out in phases of blocks is recognized on an estimate basis till the flats in each block are completed and are transferred/delivered to the customers.
Revenue in respect of blocks which are completed is recognized at the point of transfer/delivery and/or are ready for delivery to the customers.
Revenue of flats sold is net of discounts allowed.
 - c) Fixed Assets:

Fixed Assets are stated at cost of acquisitions.
 - d) Depreciation:

Depreciation on fixed assets is provided on W.D.V. method at the rates and in the manner specified in schedule XIV of the Companies Act, 1956.
2. During the financial year the firm has incurred an expenditure of Rs. 46,740/- up to the date of commencement of construction work (i.e., 29.09.2005) and the same has been treated as Pre-operative expenses which are grouped under work in progress .
3. The Firm has entered into an Joint Development Agreement dated 20th October 2005 with the Co Owners of the Land M/s. Sri. Sai Builders. The total land area is admeasuring Ac. 4-00 gts. Out of which Ac.2.23.85 gts is owned by the assessee firm and the balance Ac.01-16.15 gts is owned by M/s. Sri Sai Builders. Under the above Joint Development Agreement the firm and M/s. Sri. Sai Builders have reached into an understanding to build housing project on the entire land which in named as "Gulmohar Gardens".
4. The sanction for housing project has been obtained from a local authority, Kapra Municipality vide their letter No. BA/G2/150/2005-06 dated 29/09/2005.
5. Under the above referred Joint Development Agreement the specific share(i.e. number of flats and Area) of each party in the project have been identified.
6. The said M/s. Sri Sai Builders have entered into a construction contract with the firm for construction of their share of flats. During the year the firm has received a sum of Rs.30 Lakhs towards construction receipts. Estimated gross profit of Rs. 2,40,000/- @ 8% on contract construction receipt is credited to Profit & Loss Account.
7. The Profit arising out of the housing project is eligible for deduction u/s. 80 IB (10) of I. T. Act of 1961.



For MODI VENTURES
[Signature]
Partner

MODI VENTURES

Notes to Accounts contd.....

8. Salient features of the project are as under:

| | Share owned by Modi M Ventures | Share owned by Sri Sai Builders |
|-----------------------------------|--------------------------------|---------------------------------|
| Land Area | 12566 Sq. yds | 6794 Sq. yds |
| Land Area in Acres | AC 2-23.85 Gts | Ac 1-16.15 Gts |
| No of Flats | 253 Nos | 97 Nos |
| Area of each Unit | 450sft to 1350 sft | 450sft to 1350 sft |
| Date of Commencement of construct | October 2005 | October 2005 |
| Sanction obtained on | 29.09.2005 | 29.09.2005 |

9. During the year the assessee has carried out on work on developing and building above said housing project which is eligible project for deduction under section 80 IB (10). The work is under progress. During the year installments of Rs.22,10,000/-towards sale of flats is received on the basis of agreements understanding.

10. In accordance with the accounting policy adopted as stated above in respect of revenue recognition, an estimated gross profit of Rs.5,52,500/- at the rate of 25% on installments of Rs.22,10,000 /- during the year is credited to profit & loss account and is debited to Work in Progress account.

11. Till the project is completed the installments for flats aggregating to Rs.22,10,000/- is carried forward as Current Liabilities. Likewise expenditure on the construction aggregating to Rs.80,50,651/- including estimated profits declared of Rs.5,52,500/- is carried forward as Current Assets (Work in progress).

12. Expenses not supported by external evidence are taken as certified and authenticated by the Management.

13.

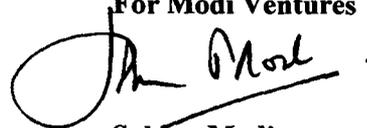
a. There are no cash payments made at a time exceeding Rs. 20,000/- u/s. 40 A (3) read with Rule 6DD of I.T Rules.

b. In respect of payments by cheques/DD's it is not possible to verify in absence of necessary evidence in possession of the assessee whether the same are by account payee cheque/DD's. However a certificate to this effect that the payments are made by account payee cheque/DD has been obtained.


(Ajay Mehta)
Chartered Accountant



Place: Secunderabad
Date : 20.10.2006

For Modi Ventures

Soham Modi
(Managing Partner)

Place: Secunderabad
Date : 20.10.2006

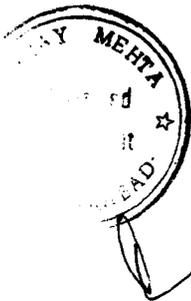
MODI VENTURES
ASST. YEAR 2006-07
PARTICULARS OF EACH LOAN OR DEPOSIT IN AN AMOUNT EXCEEDING THE LIMIT
SPECIFIED IN SECTION 269 SS TAKEN OR ACCEPTED DURING THE PREVIOUS YEAR
ANNEXURE I - TO FORM 3 CD

| S.No | Name , address and permanent account number (if available with the assessee) of the lender or depositor | Amount of loan or deposit taken or accepted | Whether the loan or deposit was squared up during the previous year | Maximum amount outstanding in the account at any time during the previous year | Whether the loan or deposit was taken or accepted otherwise than by an a/c payee cheque or an a/c payee bank draft. |
|------|--|---|---|--|---|
| 1 | Neha Mehta H. No. 136/40, P.G.Road, Secunderabad - 500 003. | 40,000 | No | 41,500 | Refer Note Below |
| 2 | Saroj S.Shah 1-8-54, 403, Amba Bhawani Apts, Venkatrao Nagar Colony, P.G.Road, Secunderabad -3 PAN: AEYPS1071B | 500,000 | Yes | 500,000 | Refer Note Below |
| 3 | Ajay Mehta HUF 5-4-187/3 &4, Soham Mansion, M. G.Road, Secunderabad - 500 003 PAN : AADHA 5308 N | 380,000 | No | 391,674 | Refer Note Below |
| 4 | Ankit Mehta H. No. 136/40, P.G.Road, Secunderabad - 500 003. PAN : Minor | 210,000 | No | 218,946 | Refer Note Below |
| 5 | Anita Mehta 5-4-187/3 &4, Soham Mansion, M. G.Road, Secunderabad - 3 PAN :AATPM 6222 B | 420,000 | No | 420,000 | Refer Note Below |
| 6 | Sarla Mehta H. No. 136/40, P.G.Road, Secunderabad - 500 003. PAN : ACVPM 6367 K | 300,000 | No | 310,102 | Refer Note Below |
| 7 | Jagannath Sitaram Baldva (Huf) PAN: AABHJ7672J 2-4-438, Ramgo palpet, Secunderabad. | 1,000,000 | No | 1,000,000 | Refer Note Below |
| 8 | G.S. Sabita | 1,000,000 | Yes | 1,000,000 | Refer Note Below |
| 9 | Kukum Mehta | 630,000 | No | 651,215 | Refer Note Below |
| 10 | Srikishan Badruka PAN: ABRP5972G 201, Royal Esplanade, Plot No. 184/A, Rd. No. 12 Ramjaha Hill, Hyd. | 2,500,000 | No | 2,500,000 | Refer Note Below |
| 7 | Vishal Mehta H.No. 1-8-23, Minister Road, Secunderabad - 500 003 PAN : ACVPM 6367 K | 300,000 | No | 310,102 | Refer Note Below |

Note: As regards amounts received/repaid by cheques/drafts it is not possible to verify whether the same has been through a/c payee cheques/drafts, as the necessary evidence is not in possession of the assessee. However a certificate from the assessee has been obtained that all such transactions are by an account payee cheque or an account payee drafts, as the case may be has been obtained.

For MODI VENTURES

(Signature)
Partner

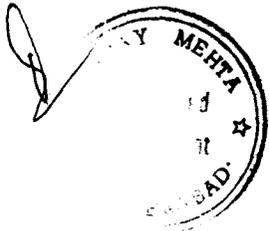


MODI VENTURES
ASST.YEAR 2006-07

**PARTICULARS OF EACH REPAYMENT OF LOAN OR DEPOSIT IN AN AMOUNT
EXCEEDING THE LIMIT SPECIFIED IN SECTION 269 T MADE DURING THE
PREVIOUS YEAR ANNEXURE II - TO FORM 3 CD**

| S.No | Name , address and permanent account number (if available with the assessee) of the payee or account payee bank | Amount of repayment | Maximum amount outstanding in the account at any time during the previous year | Whether the loan repayment was made otherwise than by a/c payee cheque |
|------|---|---------------------|--|--|
| 1 | Saroj S.Shah 1-8-54, 403, Amba Bhawani Apts, Venkatrao Nagar Colony, P.G.Road, Secunderabad -3 PAN: AEYPS1071B | 500,000 | 500,000 | Refer Note Below |
| 2 | Anita Mehta 5-4-187/3 &4, Soham Mansion, M. G.Road, Secunderabad - 3 PAN :AATPM 6222 B | 100,000 | 331,898 | Refer Note Below |
| 3 | G.S. Sabita | 1,000,000 | 1,000,000 | Refer Note Below |

Note: As regards amounts received/repaid by cheques/drafts it is not possible to verify whether the same has been through a/c payee cheques/drafts, as the necessary evidence is not in possession of the assessee. However a certificate from the assessee has been obtained that all such transactions are by an account payee cheque or an account payee drafts, as the case may be has been obtained.



For MODI VENTURES
Anita Mehta
Partner

| MODI VENTURES | | | | | | |
|---|---|-----------------|-----------------|------------------|-----------------|---------------------|
| Financial Year . 2005-06 (A.Y.2006-07) | | | | | | |
| DETAILS OF FRINGE BENEFIT TAX | | | | | | |
| S.No. | HEAD OF EXPENSES | 1st QTR | 2nd QTR | 3rd QTR | 4th QTR | TOTAL AMOUNT |
| | <u>FBT @ 50 %</u> | | | | | |
| 1 | Business Promotion | - | 5,575.00 | - | 5,000.00 | 10,575.00 |
| | | - | 5,575.00 | - | 5,000.00 | 10,575.00 |
| | <u>FBT @ 20 %</u> | | | | | |
| 2 | Telephone Bills | 1,773.00 | 2,770.00 | 7,848.00 | 4,772.00 | 17,163.00 |
| 3 | Staff Welfare | - | - | 3,194.00 | 4,177.00 | 7,371.00 |
| | TOTAL | 1,773.00 | 2,770.00 | 11,042.00 | 8,949.00 | 24,534.00 |
| | <u>FBT @ 5%</u> | | | | | |
| 1 | Conveyance | - | - | 5,457.00 | 365.00 | 5,822.00 |
| | | - | - | 5,457.00 | 365.00 | 5,822.00 |
| | FBT on total @50 % | - | 2,787.50 | - | 2,500.00 | 5,287.50 |
| | FBT on total @20 % | 354.60 | 554.00 | 2,208.40 | 1,789.80 | 4,906.80 |
| | FBT on Conveyance @ 5% | - | - | 272.85 | 18.25 | 291.10 |
| | FBT PAYABLE ON THE AMOUNT | 354.60 | 3,341.50 | 2,481.25 | 4,308.05 | 10,485.40 |
| | TAX @ 30% On the FBT Payable Amount | 106.38 | 1,002.45 | 744.38 | 1,292.42 | 3,145.62 |
| | Sur-Charge on tax @10% | 10.64 | 100.25 | 74.44 | 129.24 | 314.56 |
| | Education Cess on Tax & S.c. | 2.34 | 22.05 | 16.38 | 28.43 | 69.20 |
| | FBT Payable | 119.36 | 1,124.75 | 835.19 | 1,450.09 | 3,529.39 |
| | DUE DATE FOR PAYMENT OF FBT | 15th JULY | 15th OCT | 15th JAN | 15th APRIL | |
| | FBT Payment Delay in Months | - | 12 | 0 | 6 | - |
| | INTEREST @1% p.m.on Out Standing Amount | - | 168.00 | - | 30.00 | 198.00 |
| | | - | 168.00 | - | 30.00 | 198.00 |
| | FBT Outstanding Amount | 3,529.39 | | | | |
| | Interest on Outstanding Amount | 198.00 | | | | |
| | Balance FBT Payable | 3,727.39 | | | | |
| | Advance paid | 2500.00 | | | | |
| | Balance payable | 1,227.39 | | | | |

For MODI VENTURES


Partner

MODI VENTURES
5-4-187/3 & 4, II Floor, M.G. Road, Secunderabad – 500 003.
Phone : 66335551

CERTIFICATE

This is to certify that payments during financial year 2005-06 relating to any expenditure covered under section 40A(3) of IT Act, 1961 has been made by account payee Cheque drawn on a bank or by an account payee bank draft, as the case may be.

For MODI VENTURES,


PARTNER.