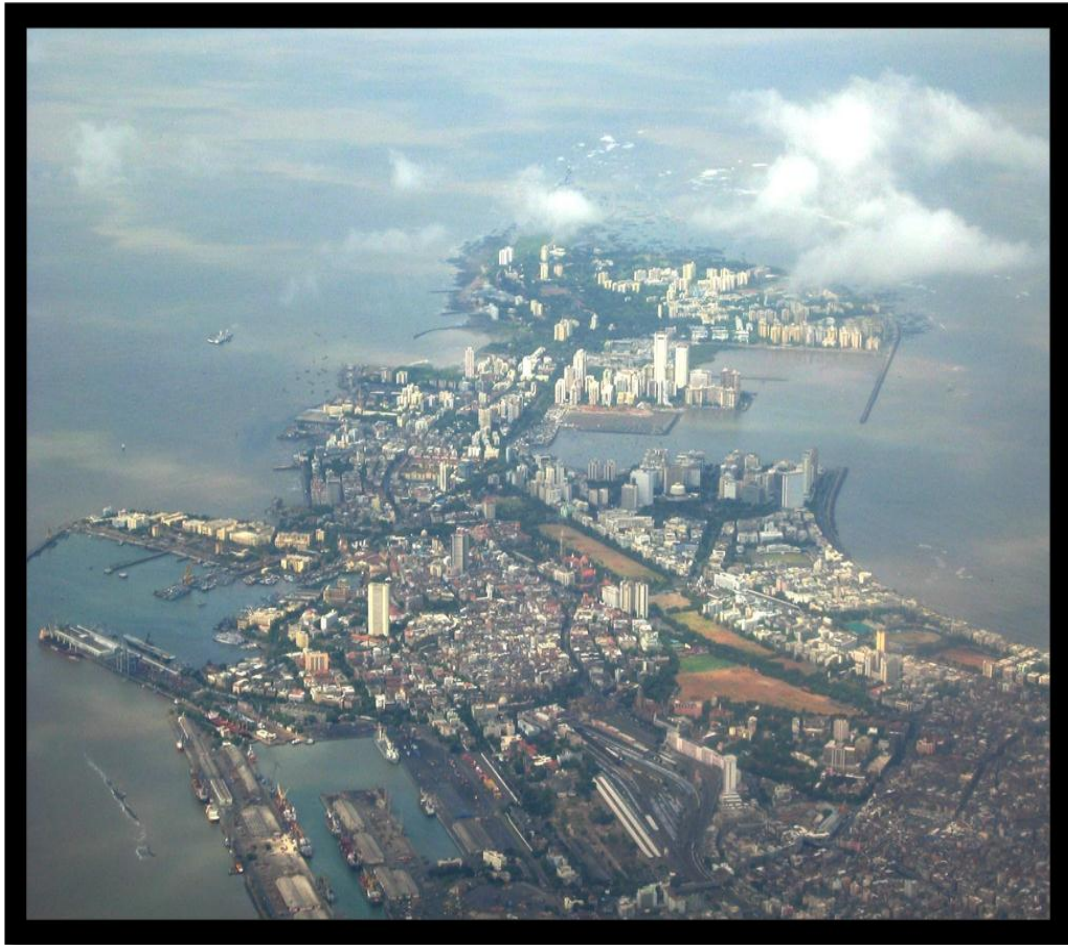


JMDE PACKAGING & REALTIES LIMITED



ANNUAL REPORT 2011 - 2012

JMDE

1. List of Directors:

- (i) Mr Devendranath Dubey
- (ii) Mr Mahendra Pandey
- (iii) Mr Kaushik Shah
- (iv) Mrs Rachana Pandya
- (v) Mr Pandurang Chorge

2. Registered Office:

502, Sinchan Apartments, Off
Veera Desai Road,
Andheri (W)
Mumbai – 400 053

3. Banker:

Bank of India

4. Name of Registrar:

M/s. Purva Sharegistry India Pvt. Ltd.

5. Legal Advisor:

Mr. Sean Wassoodew

6. Corporate Office:

Plot No.326, Shop No.1, Road No. 17,
Jawahar Nagar, Goregaon (West),
Mumbai, Maharashtra, India
Pincode - 400062



NOTICE

TO THE SHAREHOLDERS

Notice is hereby given that the Seventeenth Annual General Meeting of the Members of the Company will be held at 502, Sinchan Apartments, Off Veera Desai Road, Andheri (W), Mumbai – 400 053 on Wednesday, 30th September, 2012 at 11.00 A.M. to transact the following business:

Ordinary Business:

1. To receive, consider and adopt the Audited Balance Sheet and the Profit & Loss Account for the year ended 31st March 2012 and the Directors' Report and Auditors' Reports thereon.
2. To appoint a Director in place of Mr. Mahendra Pandey who retires by rotation and being eligible offers himself for re-election.
3. To appoint M/s Chirawewala & Associates, Chartered Accountants, Mumbai, as Auditors of the company to hold office from the conclusion of this meeting till the conclusion of next Annual General Meeting and to fix their remuneration.

For and on Behalf of the Board of Directors

Place: Mumbai

Dated: 30th August 2012

Kaushik Shah
Chairperson

Registered Office:

502, Sinchan Apartments
Off Veera Desai Road
Andheri (W)
Mumbai – 400 053

NOTES: -

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND TO VOTE ON A POLL INSTEAD OF HIMSELF AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE INSTRUMENT APPOINTING THE PROXY SHALL BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LATER THAN FORTY – EIGHT HOURS BEFORE THE TIME FIXED FOR HOLDING THE MEETING IN DEFAULT, THE INSTRUMENT OF PROXY SHALL NOT BE TREATED AS VALID.
2. The Company had already notified closure of Register of Members and Share Transfer Books of the Company September 27, 2012 to September 30, 2012 (both days inclusive).
3. M/s. Purva Sharegistry India Pvt. Ltd., 9 – Shivshakti Industrial Estate, J. R. Borisa Marg, Sitaram Mill Compound, Lower Parel (E), Mumbai – 400 011 has been appointed as Registrar and Share Transfer Agents (STA) of the company. All communications in respect of share transfer and change in the address of the members may be communicated to them.
4. Members holding shares in the same name under different Ledger Folios are requested to apply for consolidation of such Folios and send the relevant share certificate to the STA/Company.
5. Consequent upon the introduction of Section 109A of the Companies Act, 1956, shareholders are entitled to make nomination in respect of shares held by them in physical form. Shareholders desirous of making nominations are requested to send their requests in Form 2B (which shall be made available on request) to the STA, M/s. Purva Sharegistry India Pvt. Ltd.



MANAGEMENT'S DISCUSSION & ANALYSIS

OVERVIEW:

The Company has closed its packaging division and sold the plant and machinery, including the factory premises and has settled the loan of South Indian Bank. The Company has also started its venture in to the real estate sector. Due to drastic change in the capital requirements and looking at the big ticket players in the sector, the Company finds it has a very small capital base, which is not comfortable in the current business scenario in the real estate market. The growth in the Real Estate Sector and the Information Technology, the new business avenues, which were earlier unavailable, has risen in the real estate sector. The Company has decided to focus on low investment based activities, such as a service provider in the real estate market. On the same lines, the Company is planning to start provision of maintenance services to large commercial and residential buildings, with the latest technology and is also planning to start a real estate based web-portal, called 'homenxt.com' to reduce the hassles in the services to the consumer in the real estate market. The Company hopes that this segment will provide a new dimension for growth in the Company.

BUSINESS ENVIRONMENT:

The investment required in the real estate segment has become unaffordable and very large for our Company to undertake all at once, but due to the vast expansions of big residential complexes and the growth of commercial hubs across the country, there is a new niche market, available in the form of service providers for these complexes. Looking at the Company's strength and financials, our Company has decided to explore the new avenues thus opened and venture in to other low capital based services. This sector will always, in the view of the management will be a need of the future of the real estate sector, because the existing properties which have been developed in the recent times requires proper and regular maintenance and we see that these services will be greatly accepted and future growth seems very likely.

PERFORMANCE:

The company's performance during the year ended 31st March, 2012 was as under:

	2011 - 2012	2010 - 2011
Sales & Other Income (Rs. In Lacs)	147.16	244.41
PBDIT (Rs. In Lacs)	(31.83)	229.40
PBIT (Rs in lacs)	(32.55)	229.40

INTERNAL CONTROL & ADEQUACY:

The company has adequate internal control system to ensure that all assets are safeguarded and protected against loss from unauthorized use or disposition.

RISK MANAGEMENT SYSTEM:

We manage our business risk through strict compliance and internal control system.

OPPORTUNITIES:

The new growth and development in the real estate segments has created a lot of scope for a service provided in the industry to maintain the large commercial and residential premises and to provide an online platform to the consumer, the company is looking at an excellent opportunity for growth in this sector. Moreover a better operational margin, improving the Company's financial in the future is expected.

RISK AND CONCERNS:

Any adverse change in Real estate business or negative policy of Government will affect our new sector adversely.



OUTLOOK:

Company is focusing on service based activities for commercial and residential complexes, with a completely professional setup. The Company is also keen on having an online portal for providing of ancillary services for the properties. These are ongoing facilities for any real estate property, and hence is a lucrative business for the present and the future years. Looking at the investments in the new segments and the income from the segments, the Company is of the view that there will be better returns on the investments because the service segment still has a demand-supply gap and hence there are better opportunities, and this new sector will significantly add to the revenue and the profitability of the Company.

HUMAN RESOURCE:

Company has adequate and trained, well experienced personnel. Our employees are highly motivated and work in line of the organizational goal.

CAUTIONARY STATEMENT:

The statements made in this report describe the Company's objectives and projections that may be forward looking statements within the meaning of applicable laws and regulations. The actual results might differ materially from those expressed or implied depending on the economic conditions, government policies and other incidental factors, which are beyond the control of the Company.



DIRECTORS' REPORT

To
THE SHAREHOLDERS

Your Directors submit their Report and the Audited Accounts of the Company for the year ended 31st March 2012.

FINANCIAL RESULTS

Description	2011 – 2012 (Amt. in Rs.)	2010 – 2011 (Amt. in Rs.)
Profit before Depreciation and Interest	(31,82,758)	23,589,242
Less:- Provision for Depreciation	72,000	-
Interest	-	649,089
Profit / (Loss) before Tax	(32,54,758)	22,940,153
Profit / (Loss) after Tax	(32,69,590)	22,940,153
Balance brought forward from previous year	(3,75,51,295)	(60,491,447)
Profit / (Loss) carried to Balance Sheet	(4,08,20,885)	(37,551,295)

DIVIDEND

The Board of Directors does not recommend any dividend on Equity shares for the year under consideration.

OPERATIONS

Various steps to improve the Company's performance have started showing result as is evident from the fact that Company was able to maintain a growth in revenue and profitability significantly than previous year. New line of business of real estate has significantly added to the income of the company.

FINANCIAL

Finance is the major hurdle for your company. To overcome this, company has allotted during the year share warrants to select group of entities including the Directors. This fund infusion will certainly improve the performance of the company. The current losses of your company are due to the provisions for notional loss in the investment account of Rs. 15,377,800.

REAL ESTATE BUSINESS

Your Directors have charted out plan to restructure the Company in last year and accordingly company's name had been changed to "JMDE Packaging and Realities Limited" and Objects clause has been altered to incorporate "Real Estate and Construction" business in addition to the packaging business. The said step has started to show result in these years as is evident from the improved performance of your company is regard to revenue as well as profitability. In future too, your directors shall take all out steps to turn around the company.

OUTLOOK FOR THE COMPANY

During the year under review Company's revenue and profitability has improved significantly. Its new line of real estate business has significantly added to the revenue and in turn to the profitability of the Company. In future company plans to take various steps/options to improve the performance of the company. Taking new projects in joint venture or exiting from the packaging business are some of the steps which are being looked into.

LISTING

The Equity Shares of the Company are listed on the Bombay Stock Exchange (BSE). The Company has paid the Annual Listing Fees to the Bombay Stock Exchange for the year 2011 - 2012.

DIRECTORS

Mr. Mahendra Pandey would retire by rotation at the ensuing Annual General Meeting and is eligible for re-appointment.



DIRECTORS' RESPONSIBILITY STATEMENT

As specifically required under the Companies Act, 1956, your Directors state:

- i. that in the preparation of the annual accounts, the applicable accounting standards have been followed.
- ii. that such accounting policies have been selected which have been applied consistently and judgments and estimates made are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company in the Balance Sheet as at the end of the financial year ended 31st March, 2012 and of the Profit and Loss Account for the said financial year, i.e. April 1, 2011 to March 31, 2012.
- iii. that proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities have been taken from the day Factory came to the possession of the management.
- iv. that the Annual Accounts have been prepared on a going concern basis.

CORPORATE GOVERNANCE

A Report on Corporate Governance in compliance with the Bombay Stock Exchange Listing Agreement is attached and forms part of this Report.

PARTICULARS OF EMPLOYEES

The Company does not have any employee whose particulars are required to be given pursuant to the provisions of section 217 (2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975.

PARTICULARS UNDER SECTION 217 (1) (e) OF THE COMPANIES ACT, 1956

In accordance with the requirements of section 217 (1) (e) of the Companies Act 1956 read with the Companies (Disclosure of Particulars in the Report of Board of Director) Rules, 1988, statement showing particulars with respect to conservation of energy is given in the Annexure.

AUDITORS

The Auditors M/s. Chirawewala & Associates, Chartered Accountants, Mumbai the Auditors of the Company would retire at the conclusion of the ensuing Annual General Meeting and have expressed their desire to continue as Auditors of the Company, if appointed. Your Directors recommend their appointment as Auditors of the Company.

ACKNOWLEDGEMENTS

The Directors wish to place on record their deep appreciation for the services rendered by the officers, staff and workers at all level, and their dedication and loyalty.

FOR AND ON BEHALF OF THE BOARD

Place: Mumbai
Date: 30th August, 2012

**KAUSHIK SHAH
CHAIRPERSON**

ANNEXURE TO DIRECTORS' REPORT

Disclosure of particulars with respect to conservation of Energy, technical absorption, Foreign Exchange earning and outgo as required under Companies (Disclosure of Particulars in the report of Board of Directors) Rule, 1988 and forming part of the Report of Board of Directors for the year ended 31st March, 2009.

A. CONSERVATION OF ENERGY :

(a) Energy Conservation Measures Taken: All possible efforts were made during the period, to ensure reduction in consumption of Electricity & fuel.

(b) Additional Investment in Proposal if any, being implemented for reduction of consumption of energy: No additional investment is envisaged.

(c) Impact of above measures:

As a result of measures taken by the Company, consumption of electricity and fuel has been kept at reasonable level.

B. TECHNOLOGY ABSORPTION :

The company has not adopted any foreign technology for its products.

C. FOREIGN EXCHANGE EARNING AND OUTGO :

There were no foreign exchange inflows or outflows during the year.

Report on Corporate Governance

(A) CORPORATE GOVERNANCE PHILOSOPHY

The Company is committed to good Corporate Governance. The Company has been following good principle of business over the years by following all laws and regulations of the land with an emphasis on accountability and integrity. The code of Corporate Governance emphasizes the transparency of system to enhance the benefits to shareholders, customers, creditors and employees of the company.

Your company has complied with the requirements of the Corporate Governance Code as disclosed herein below:

(B) BOARD OF DIRECTORS

THE board of the Company comprises the following Directors, having wide range of skills and experience in the field of management and industrial activities.

Name of the Director	Category of Directorship held	No. of Meetings during the Year 2011 – 12	No. of Meetings other attended	No. of other Directorship	No of Attendance at last Committee Membership	AGM
Mr. Devendra Nath Dubey	Director Non-Executive Independent	6	6	---	-----	Yes
Mr. Mahendra Pandey	Director Executive	6	6	----	-----	Yes
Mr. Pandurang Chorghe	Director Non-Executive Independent	6	6	-----	-----	Yes
Mr. Kaushik Shah	Director Executive	6	5	----	-----	Yes
Mrs. Rachana Pandya	Director Non-Executive Independent	6	5	----	-----	NO

(C) DATES OF BOARD MEETING

Seven Board Meetings were held during the year under review on the following dates: 20th April, 2011, 21st July 2011, 8th August 2011, 4th November 2011, 30th December 2011, 13th February 2012 & 22nd March 2012.

(D) COMMITTEES OF DIRECTORS

a) Audit Committee

The terms of reference and role are as prescribed by Clause 49 of the Listing Agreement with the Stock Exchanges and Section 292A of the Companies Act, 1956 and by the Board from time to time.

During the year 2011– 12 the committee met 5 times. The composition of the Audit Committee and the attendance of the members is as under:

Name of the Director	Designation	Meetings attended
Mr. Kaushik Shah	Chairman	5
Mr. Devendra Nath Dubey	Member	5
Mrs. Rachana Pandya	Member	5

b) Remuneration Committee

The Company has constituted a Remuneration Committee consisting the following members:

<u>Name of the Director</u>	<u>Nature of Directorship</u>	<u>Membership</u>
Mr. Mahendra Pandey	Executive	Chairman
Mr. Devendra Nath Dubey	Non – Executive & Independent	Member
Mrs. Rachana Pandya	Non – Executive & Independent	Member

During the year under review no remuneration paid to Directors. During the year no sitting fees was paid to the Directors. One meeting held during the year under review.

c) Investors Relations Committee

The composition of the Investors Relations Committee (Shareholders/Investors Grievances Committee) is as under:

<u>Name of the Director</u>	<u>Nature of Directorship</u>	<u>Membership</u>
Mr. Devendra Nath Dubey	Non – Executive & Independent	Chairman
Mr. Pandurang Chorge	Non – Executive & Independent	Member
Mr. Kaushik Shah	Executive Director	Member

In accordance with Clause 49(VI) (D) of the Listing Agreement with The Bombay Stock Exchanges, the Board has authorized Mr. Pandurang Chorge to approve share transfers/transmissions and comply with other formalities in relation thereto.

No Investor Complaints remain unresolved, which were received during the year under review.

There were no pending transfers as on 31st March 2012.

(E) GENERAL BODY MEETINGS

a) The details of last 3 Annual General Meeting (AGM) held are as under:

<u>Financial Year Ended</u>	<u>Date</u>	<u>Time</u>	<u>Place</u>
31 st March 2010	30/09/2010	04.00 P.M	203, Anupam Building, J P Road, Andheri (W) Mumbai – 400 058
31 st March 2011	29/09/2011	04.00 P.M	502, Sinchan Apartments, Off Veera Desai Road, Andheri (W) Mumbai – 400 053
31 st March 2012	30/09/2012	11.00 A.M	502, Sinchan Apartments, Off Veera Desai Road, Andheri (W) Mumbai – 400 053

b) All special resolutions moved at the last Annual General Meeting were passed unanimously on show of hand by the shareholders present at the meeting.

c) None of the business required to be transacted at the forthcoming Annual General Meeting is proposed to be passed by postal ballot.

(F) DISCLOSURES

a) Disclosures on Materially Significant related Party Transactions

There were no materially significant related party transactions during the year conflicting with the interest of the Company.

b) Details of Non – Compliances and Penalties

There were no penalties levied by the stock exchange, SEBI or any Statutory Authority.

(G) MEANS OF COMMUNICATION

1. Quarterly and half yearly reports are published in the newspapers.
2. Management Discussion and Analysis forms part of this Annual Report.

(H) GENERAL SHAREHOLDER'S INFORMATION

1. The Annual General Meeting will be held on 30th day of September 2012 at 11.00 A.M. at 502, Sinchan Apartments, Off Veera Desai Road, Andheri (W), Mumbai – 400 053.
2. Financial Year : April to March
3. Book Closure : from September 27, 2012 to September 30, 2012 (both days inclusive).
4. Listing on Stock Exchanges: The Bombay Stock Exchange (BSE)
5. Stock Code

<u>Name of the Stock Exchange</u>	<u>Stock Code</u>
The Stock Exchange, Mumbai	524378

The listing fees of The Bombay Stock Exchange (BSE) for the year 2012 – 13 has been paid

6. Market Price Data

Market price data for the year 2011 – 12 is given below:

Month	Open Price	High Price	Low Price	Close Price
Apr-11	0.37	0.57	0.37	0.57
May-11	0.55	0.59	0.49	0.51
Jun-11	0.53	0.54	0.38	0.4
Jul-11	0.39	0.74	0.39	0.74
Aug-11	0.77	0.77	0.61	0.69
Sep-11	0.71	0.71	0.55	0.57
Oct-11	0.55	0.56	0.46	0.52
Nov-11	0.52	0.78	0.5	0.74
Dec-11	0.76	0.78	0.59	0.68
Jan-12	0.71	0.72	0.52	0.66
Feb-12	0.69	0.71	0.55	0.57
Mar-12	0.59	0.61	0.39	0.42

7. **Registrar and Transfer Agents** : M/s. Purva Sharegistry India Pvt. Ltd.
9 – Shivshakti Industrial Estate, J. R. Borisa Marg,
Sitaram Mill Compound, Lower Parel (E),
Mumbai – 400 011
8. **Share Transfer System** : Shares of the company can be transferred by lodging Transfer Deeds and Share Certificates with the Registrars & Share Transfer Agents at the above said address. The Company has constituted Share Transfer and Shareholders' Grievance Committee of the Board of Directors of the Company.
The Company has authorized Purva Sharegistry India Pvt Ltd through their executives to make endorsement of share transfers being registered.
The shareholders have option of converting their holding in dematerialized form and effecting the transfer in dematerialized mode.
Shares sent for transfer in physical form are registered and returned within a maximum period of 21 days from the date of receipt of documents provided, all documents are valid and complete in all respects.

JMDE

9. Distribution of Equity Shares as on 31st March, 2012

S. No.	Range Nominal Value	No. of Shares Held	% to Capital	No. of Shareholders	% to Total Holders
1	1 to 5000	12,024,200	20.38	8374	89.42
2	5001 to 10000	3,610,800	6.12	378	4.04
3	10001 to 20000	3,351,200	5.68	257	2.74
4	20001 to 30000	3,097,500	5.25	105	1.12
5	30001 to 40000	1,469,100	2.49	38	0.41
6	40001 to 50000	3,174,200	5.38	65	0.69
7	50001 to 10000	4,472,200	7.58	60	0.64
8	100001 and Above	27,800,800	47.12	88	0.94
	TOTAL	59,000,000	100	9365	100

10. Shareholding Pattern as on 31st March, 2012

Category	No. of Shares	Percentage
i. Promoters' Holding		
a. Promoters		
Indian Promoters	16,925,100	28.69
Foreign Promoters	NIL	NIL
b. Persons acting in concert	NIL	NIL
Sub – total	16,925,100	28.69
ii. Non - Promoters' Holding		
c. Institutional Investors		
a. Mutual Fund and UTI	NIL	NIL
b. Banks/FIs/Insurance Companies (Central/State Govt. Institutions/Non Govt Institutions)	NIL	NIL
c. FIIs	NIL	NIL
Sub – total	NIL	NIL
iii. Others		
i. Private Corporate Bodies	5,759,251	5.42
ii. Indian Public	36,249,119	65.87
iii. NRIs/OCBs	66,530	0.02
Sub – total	42,074,900	71.31
GRAND TOTAL	59,000,000	100

11. **Dematerialization of shares and liquidity** : The shares of the Company are under compulsory demat trading. The Company has made necessary arrangements with NSDL and CDSL for demat facility. 57.00% of the Company's shares are dematerialized up to 31st March 2012.

12. Address for Correspondence:

The Director
Plot No.326, Shop No.1, Road No. 17,
Jawahar Nagar, Goregaon (West),
Mumbai, Maharashtra, India
Pincode - 400062

Disclosure under clause 43 A (2) of the listing agreement

The Equity Shares of the Company are listed on The Bombay Stock Exchange (BSE).
Listing fees for the year 2012 – 13 of The Stock Exchange, Mumbai had been paid.

Details of the Directors seeking re-appointment at the forthcoming Annual General Meeting (In pursuance of clause 49 of the Listing Agreement)

Name of Director	: Mr. Mahendra Pandey
Date of Birth	: 01/01/1958
Date of appointment	: 26/07/2003
Occupation	: Business
Expertise in Specific functional areas	: Experience of Finance, Legal, Compliance and Management
Directorship in other Companies	: NIL
Committee positions held in other Companies	: NIL

Auditors' Certificate

To
The Members of JMDE Packaging & Realities Ltd.

We have examined the compliance of conditions of Corporate Governance by JMDE Packaging & Realities Limited, for the year ended on 31st March, 2012, as stipulated in clause 49 of the Listing Agreement of the said company with Stock Exchange.

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to procedures and implementations thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above-mentioned Listing Agreement.

As required by the Guidance Note issued by the Institute of Chartered Accountants of India, we have to state that, no investor grievance is pending for a period exceeding one month against the Company as per the information furnished by the Company's Registrars, other than those which are a subject matter of litigation. We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For Chirawewala & Associates
Chartered Accountants

Archana Chirawewala
Proprietor

Date: 30th August, 2012
Place: Mumbai



AUDITORS' REPORT

**TO
THE MEMBERS OF
JMDE PACKAGING & REALTIES LIMITED**

We have audited the attached Balance Sheet of **JMDE PACKAGING & REALTIES LIMITED**, as at 31st March 2012 and also the Profit and Loss Account 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 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 presentation. We believe that our audit provides a reasonable basis for our opinion.

As required by the Companies (Auditors Report) Order, 2003 issued by the Central Government of India in terms of sub-section (4A) of section 227 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:

- (1) 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.
 - (2) In our opinion the Company, as required by law, has kept proper books of account, so far as it appears from our examination of such books.
 - (3) The Balance Sheet and Profit and Loss Account dealt with by this report are in agreement with the books of account.
 - (4) In our opinion, the Balance Sheet and Profit and Loss Account dealt with by this report comply with the Accounting standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956;
 - (5) On the basis of written representation received from the directors, as on 31st March 2012 and taken on record by the Board of Directors, we do hereby certify that none of the directors of the company as on 31st March 2012 is disqualified for appointment as director in the aforesaid company in terms of clause (g) of sub – section 274 of the Companies Act, 1956 on the said date.
 - (6) In our opinion and to the best of our information and according to the explanations given to us, the said accounts read with the significant accounting policies and notes on Accounts annexed thereto, give the information required by the Companies Act, 1956, in the manner so required and gives a true and fair view in conformity with the accounting principles generally accepted in India:
 - a) in the case of the Balance Sheet, of the state of affairs as at 31st March, 2012, and
 - 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 Cash Flow Statement, of the cash flows of the Company for the year ended on that date

**For Chirawewala & Associates
Chartered Accountants**

**Archana Chirawewala
Proprietor**

ICAI Membership No: 0116975

Place: Mumbai

Date: 30th August, 2012

ANNEXURE TO THE AUDITORS' REPORT

(Referred to in paragraph 3 of our report of even date)

1. (a) The company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
(b) All the assets have not been physically verified by the management during the year but there is a regular programme of verification which, in our opinion, is reasonable having regard to the size of the company and the nature of its assets. No material discrepancies were noticed on such verification.
(c) During the year, the company has not disposed of a substantial part of the fixed assets.
2. (a) The inventory has been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable.
(b) The procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.
(c) The company is maintaining proper records of inventory. The discrepancies noticed on verification between the physical stocks and the book records were not material.
3. (a) The company has not granted any loan to Companies, firms and other parties listed in the register maintained under section 301 of the Companies Act, 1956.
(b) The company has not taken any loan to Companies, firms and other parties listed in the register maintained under section 301 of the Companies Act, 1956.
4. In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the company and the nature of its business with regard to purchases of Goods and services and Fixed Assets for to the sale of goods and services. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in internal controls.
5. (a) According to the information and explanations given to us, we are of the opinion that the particulars of contracts or arrangements referred to in section 301 of the Act have been entered into the register required to be maintained under that section; and
(b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contracts or arrangements entered in the register maintained under section 301 of the Act have been made at prices which are reasonable having regard to prevailing market prices at the relevant time;
6. The company has not accepted any deposits from public.
7. In our opinion, the company has an internal Audit system commensurate with its size and nature of business.
8. We have broadly reviewed the books of account and other relevant records and are of the opinion that the Central Government has not prescribed any rules for the maintenance of cost records under section 209 (1) (d) of the Companies Act, 1956.

9. (a) The company is generally regular in depositing with appropriate authorities undisputed statutory dues including provident fund, investor education protection fund, employees' state insurance, income tax, sales tax, wealth tax, service tax, custom duty, excise duty, cess and other material statutory dues applicable to it.
- (b) According to the information and explanations given to us, no undisputed amounts payable in respect of income tax, sales tax, Excise duty and cess were in arrears, as at 31st March, 2012 for a period of more than six months from the date they became payable.
- (c) According to the information and explanation given to us, there are no dues of sale tax, customs duty, wealth tax, excise duty and cess which have not been deposited on account of any dispute. There is a due of Rs.32 Lacs in respect of Income Tax for the Assessment Year 2003 – 04 which has not been deposited on account of dispute; the dispute is pending before The Assistant Commissioner of Income Tax.

10. In our opinion, the company has accumulated losses amounting to Rs.40,820,885/- at the end of the financial year covered by our audit. The company has not incurred cash loss during the financial year covered by our audit and in the immediately preceding financial year.

11. In our opinion and according to the information and explanations given to us, the company has defaulted in repayment of dues to a financial institution, banks due to certain dispute between the company and the banks. Details are as under:

Name of Institution/Bank	2011 - 2012	2010 – 2011
Dena Bank Ltd	Rs. 64,50,935	Rs. 64,50,935

12. We are of the opinion that the company has maintained adequate records where the company has granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.

13. In our opinion, the company is not a chit fund or a nidhi/ mutual benefit fund/ society. Therefore, the provisions of clause 4(xiii) of the Companies (Auditor's Report) Order, 2003 are not applicable to the company.

14. In our opinion, the company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provisions of clause 4(xiv) of the Companies (Auditor's Report) Order, 2003 are not applicable to the company.

15. The company has not given guarantees for loans taken by others from banks or financial institutions.

16. The company has not raised any term loans during the year under consideration.

17. According to the information and explanations given to us and on an overall examination of the Balance Sheet of the company, we report that the no funds raised on short-term basis have been used for long-term investment.

18. According to the information and explanations given to us, the company has made preferential allotment of shares warrants to parties and companies covered in the register maintained under section 301 of the Act.

19. According to the information and explanations given to us, during the period covered by our audit report, the company had not issued debentures.

20. Company has received no funds on basis of public issue.
21. According to the information and explanations given to us, no fraud on or by the company has been noticed or reported during the course of our audit.

For Chirawewala & Associates
Chartered Accountants

Archana Chirawewala
Proprietor

ICAI Membership No: 0116975

Place: Mumbai

Date: 30th August, 2012

BALANCE SHEET AS AT 31ST MARCH 2012

PARTICULARS	SCHEDULE	31st March 2012 Rupees	31st March 2011 Rupees
<u>SOURCES OF FUNDS</u>			
<u>Share Holder's Funds</u>			
Share Capital	1	5,90,00,000	5,90,00,000
Application/Allotment Money on Share Warrants		2,91,25,000	2,91,25,000
Reserves & Surplus	2	9,22,800	9,22,800
<u>Borrowed Funds</u>			
Secured Loans	3	64,50,935	64,50,935
Deferred Tax Liability		19,69,026	19,83,858
TOTAL		9,74,67,762	9,74,82,593
<u>APPLICATION OF FUNDS</u>			
<u>Fixed Assets</u>			
Gross Block	5	1,20,000	-
Less:- Depreciation		72,000	-
		48,000	-
Investments	4	3,62,91,872	3,62,91,872
Current Assets, Loans & Advances	6	5,35,14,007	7,94,33,141
Less:- Current Liabilities & Provisions	7	3,32,07,002	5,57,93,715
Net Current Assets (7-8)		2,03,07,005	2,36,39,426
Profit & Loss Account		4,08,20,885	3,75,51,295
TOTAL		9,74,67,762	9,74,82,593
Notes Forming Part of Accounts	11		
Significant Accounting Policies	12		

As per report of even date attached
For Chirawewala & Associates
Chartered Accountants

For and & behalf of board of directors

Archana Chirawewala
Proprietor
ICAI M. NO: 0116975

Kaushik Shah
Director

Rachana Pandya
Director

Place :- Mumbai

Date :- August 30, 2012

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PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH 2012

PARTICULARS	SCHEDULE	31st March 2012 Rupees	31st March 2011 Rupees
<u>INCOME</u>			
Sales & Other Income	8	1,47,16,400	2,44,41,000
Notional Loss		(1,53,77,800)	-
		<u>(6,61,400)</u>	<u>2,44,41,000</u>
<u>EXPENDITURE</u>			
Opening Stock		-	-
Salaries, Wages & Other Benefits	9	12,60,000	3,90,000
Administrative & Selling Expenses	10	12,61,358	4,61,759
Financial Expenses		-	6,49,089
Depreciation		72,000	-
		<u>25,93,358</u>	<u>15,00,848</u>
PROFIT /(LOSS) BEFORE TAX		(32,54,758)	2,29,40,152
Less: Current Tax		-	-
Deferred Tax		14,832	-
PROFIT/(LOSS) AFTER TAX		(32,69,590)	2,29,40,152
Add:- Balance Brought Forward		(3,75,51,295)	(6,04,91,447)
AVAILABLE FOR APPROPRIATION		<u>(4,08,20,885)</u>	<u>(3,75,51,295)</u>
APPROPRIATION			
Balance Carried to Balance Sheet		(4,08,20,885)	(3,75,51,295)
TOTAL		<u>(4,08,20,885)</u>	<u>(3,75,51,295)</u>
Earning Per Share (Rs.)		(0.06)	0.87
Notes Forming Part of Accounts	12		
Significant Accounting Policies	13		

As per report of even date attached
For Chirawewala & Associates
Chartered Accountants

For and & behalf of board of directors

Archana Chirawewala
Proprietor
ICAI M. NO: 0116975

Kaushik Shah
Director

Rachana Pandya
Director

Place :- Mumbai
Date :- August 30, 2012

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SCHEDULES '1' TO '11' ATTACHED TO AND FORMING PART OF THE BALANCE SHEET AND PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH 2012

PARTICULARS	31st March 2012 Rupees	31st March 2011 Rupees
<u>SCHEDULE : 1 SHARE CAPITAL</u>		
AUTHORISED CAPITAL		
9,00,00,000 (90,00,000) Equity Shares of Rs.1/- (10/-) each	9,00,00,000	9,00,00,000
ISSUED,SUBSCRIBED & PAID UP CAPITAL		
5,90,00,000 (59,00,000) Equity Shares of Rs.1/- (10/-) each	5,90,00,000	5,90,00,000
TOTAL	5,90,00,000	5,90,00,000
<u>SCHEDULE : 2 RESERVES & SURPLUS</u>		
Investment Allowances Reserve	7,37,800	7,37,800
Subsidy	1,85,000	1,85,000
TOTAL	9,22,800	9,22,800
<u>SCHEDULE : 3 SECURED LOANS</u>		
From Bank (Secured against Book Debts)	44,18,964	44,18,964
Interest Accrued & Due	20,31,971	20,31,971
TOTAL	64,50,935	64,50,935
<u>SCHEDULE : 4 INVESTMENT</u>		
<u>LONG TERM</u>		
(1) Unquoted, Equity Shares-Fully Paid up		
Mangalmurti Association Ltd.	7,082	7,082
Sana Textile Pvt Ltd	75,00,000	75,00,000
Veenapani Invest Pvt Limited	50,00,000	50,00,000
Caplinvan India Pvt Ltd	3,30,000	3,30,000
Infracare Systems Pvt Ltd	28,00,000	28,00,000
Pratham Corporation	52,25,000	52,25,000
	2,08,62,082	2,08,62,082
(2) Quoted, Equity Shares		
Alka Securities Ltd.(229974)	1,54,29,790	1,54,29,790
	1,54,29,790	1,54,29,790
Total Value of the Investments >>>>>>	3,62,91,872	3,62,91,872
Market Value of Quoted Equity Shares >>>>>>	91,990	-

SCHEDULE : 6 CURRENT ASSETS, LOAN & ADVANCES

A) Current Assets

Inventories (at lower of cost and realisable value
and certified by the management)

Stock in Trade (shares)	2,23,96,242	3,77,74,042
	2,23,96,242	3,77,74,042
<u>Sundry Debtors</u> (Unsecured Considered Good)		
Outstanding for a period exceeding Six Months	10,63,136	90,02,076
Other Debts	3,47,608	11,24,926
	14,10,744	1,01,27,002

Cash & Bank Balances

(As certified by the Management)

Cash on Hand	1,06,000	4,16,750
Balance With Schedule Banks	20,100	20,100
	1,26,100	4,36,850
TOTAL 'A'	2,39,33,086	4,83,37,894

B) Loans & Advances

**(Recoverable in Cash or in Kind or
for value to be received)**

(Unsecured, considered good)

Advances Given	2,95,80,921	2,95,80,921
Tax Deducted at Source	-	12,54,399
Interest Receivable	-	2,59,927
Other Current Assets	-	-
	2,95,80,921	3,10,95,247
TOTAL 'B'	2,95,80,921	3,10,95,247
TOTAL 'A+B'	5,32,60,592	7,94,33,141

SCHEDULE : 7 CURRENT LIABILITES & PROVISIONS

A) Current Liabilities

Sundry Creditors

For Goods	1,78,91,577	3,88,34,852
Other Liabilities	1,53,15,425	1,57,11,100
	3,32,07,002	5,45,45,952
TOTAL 'A'	3,32,07,002	5,45,45,952

B) Provisions

For Taxation

	-	12,47,763
	-	12,47,763
TOTAL 'B'	-	12,47,763
TOTAL 'A+B'	3,32,07,002	5,57,93,715

SCHEDULE : 8 SALES & OTHER INCOME

A) Sales

Income from Operations	23,60,500	-
Income from Real Estate Business	7,32,500	-
TOTAL 'A'	30,93,000	-

B) Other Income

Share Trading Income	1,16,23,400	2,44,41,000
Miscellaneous Income	-	-
TOTAL 'B'	1,16,23,400	2,44,41,000
TOTAL 'A+B'	1,47,16,400	2,44,41,000

SCHEDULE : 9 SALARIES, WAGES & OTHER BENEFITS

Salaries	12,60,000	3,90,000
	12,60,000	3,90,000

SCHEDULE : 10 ADMINISTRATIVE & SELLING EXPENSES

Auditors Remuneration	20,000	20,000
Rent & Electricity Expenses	4,44,959	-
Filing & Listing Fees	1,10,000	14,841
Miscellaneous Expenses	2,55,000	1,10,000
Depository Charges	15,319	22,937
Telephone Expenses	1,60,580	-
Professional Fees	2,50,000	25,000
Share Transfer Expenses	-	72,247
Share Trading Expenses	-	1,96,734
Stationery & Printing Expenses	5,500	-
	12,61,358	4,61,759

SCHEDULE : 5 FIXED ASSETS

SR. ASSETS NO.	Computer & Printer	GROSS BLOCK		DEPRECIATION			NET BLOCK			
		AS AT 01/04/2011	ADDITION/ (Deduction)	AS AT 31/03/2012	UP TO 01/04/2011	FOR THE YEAR	ADJUST MENT	UP TO 31/03/2012	AS AT 31/03/2012	AS AT 31/03/2011
1		-	1,20,000	1,20,000	-	72,000	-	72,000	48,000	-
	TOTAL	-	1,20,000	1,20,000	-	72,000	-	72,000	48,000	-
	PREVIOUS YEAR	-	-	-	-	-	-	-	-	-

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Additional Information as required under Part IV of Schedule VI to the Company Act, 1956
Balance Sheet Abstract and Company's General Business Profile;

000 Omitted

1	Registration Details	
	Registration No	166035
	State Code	11
	Balance Sheet Date	31-03-2012
2	Capital raised during the year	
	Public Issue	Nil
	Rights Issue	Nil
	Bonus Issue	Nil
	Private Placement	Nil
3	Position of Mobilisation & Deployment of funds	
	Total Liabilities	130675
	Total Assets	130675
	Sources of Funds	
	Paid-Up Capital	59000
	Application Money	29125
	Reserves & Surplus	923
	Secured Loans	6451
	Unsecured Loans	0
	Deferred Tax Liabilities	1969
	Application of Funds	
	Net Fixed Assets	48
	Investments	36292
	Net Current Assets	20307
	Miscellaneous Expenditure	
	Accumulated Losses	40821
4	Performance of the Company	
	Total Income	14716
	Total Expenditure	17971
	Profit before Tax	(3255)
	Profit after Tax	(3270)
	Earnings per Share	(0.06)
	Dividend Rate	0
5	Generic Names of Principle Products/Services of the Company	
	(as per monetary terms)	
	Item Code No.	
	Product Description	Real Estate

As per report of even date attached
For Chirawewala & Associates
Chartered Accountants

For and & behalf of board of directors

Archana Chirawewala
Proprietor
ICAI Mem No.:0116975
Place Mumbai
Date : August 30, 2012

Kaushik Shah
Director

Rachana Pandya
Director

Schedule 11

NOTES FORMING PART OF ACCOUNTS

1. Most of the debits/credits are subject to confirmation.
2. Debit/credit notes received up to the date of signing of the Annual are accounted for.
3. Payment to Auditors

	2011 – 2012	2010 – 2011
Audit Fee	20000	20000
Total	20000	20000

4. Related parties Transactions: As per Accounting Standard – 18 during the year: NIL
5. Earning per Shares

Particulars	31-03-2012	31-03-2011
Net profit attributable to shareholders (In Lacs)	(32.70)	229.40
Weighted average number of equity shares (Number in "000)	59000	59000
Basic/ Diluted earnings per share of Rs. 1/- each (In Rs.)	(0.06)	0.87

6. In accordance with Accounting Standard 22" Accounting for Taxes on Income" the Company has accounted for Deferred Tax Asset of Rs. NIL (Previous Year – Rs. NIL) and Deferred Tax Liability of Rs. 14832/- (Previous Year – NIL) has been added to the profit & Loss Account.
7. Estimated amount of contract remaining to be executed on capital account & not provided for – NIL.
8. Contingent Liabilities –
There is a due of Rs.32 Lacs in respect of Income Tax for the Assessment Year 2003 – 04 which has not been deposited on account of dispute; the dispute is pending before The Assistant Commissioner of Income Tax.
9. Additional information relating to Balance Sheet Abstract and company's General Business profiles as per Part IV of Schedule VI to the Companies Act, 1956 – Annexed.
10. Figures for the previous year have been regrouped wherever necessary to make them comparable with those of current year.

11. Earnings in Foreign Currency

	2011 – 12	2010 – 11
a) Expenditure In foreign currency	NIL	NIL
b) remittances in foreign currency	NIL	NIL
c) Earnings in foreign currency	NIL	NIL

As per report of even date attached
For Chirawewala & Associates
Chartered Accountants

For & behalf of Board of Directors

Archana Chirawewala

Proprietor

Mem. No. 0116975

Place: Mumbai

Date: 30th August 2012

Director

Director

SCHEDULE 12

SIGNIFICANT ACCOUNTING POLICIES

The financial statements have been prepared in accordance with the normally accepted Accounting Standards in India. A summary of significant Accounting Policies, which have been applied consistently, are set out below:

1. Accounting Concept

- I. The company follows the mercantile systems of accounting recognizing income expenditure on accrual basis except in case of Debit/Credit received from the parties. The Debit/Credit notes received up to the date of signing of the Balance Sheet is accounted for. In case of sales commission it is accounted on accrued and due basis.
- II. The accounts of the Company are prepared under the historical cost convention using the accrual method of accounting and on the basis of the concept of going concern.

2. Revenue Recognition

All items of Income & Expenditures are accounted for on accrual basis. There are no export sales.

3. Fixed Assets

Fixed assets include other expenses related to their installation and procurement & stated at cost less accumulated depreciation.

4. Depreciation

Depreciation on fixed assets including addition during the year is provided on Continuous Process Plant basis on straight - Line Method in the manner specified in Schedule XIV of the Companies Act 1956.

5. Investment

Investments are stated at cost.

6. Inventories

Stock in trade has been valued on cost or market value whichever is less.

As per report of even date attached

For Chirawewala & Associates

Chartered Accountants

For & behalf of Board of Directors

Archana Chirawewala

Proprietor

Mem. No. 0116975

Place: Mumbai

Date: 30th August 2012

Director

Director



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