

MEDI-NET SERVICES PRIVATE LIMITED

DIRECTORS' REPORT FOR THE PERIOD ENDED 31ST MARCH, 2013

Dear Shareholders,

Your Directors are pleased to present the Annual Report together with the Audited Accounts of your Company for period ended on 31st March, 2013.

FINANCIALS RESULTS

The company is yet to commence its commercial operation; therefore, no Profit & Loss Account has been prepared during the year under review.

FIXED DEPOSIT

The Company has not accepted any fixed deposits u/s 58A of the Companies Act, 1956 during the year under review.

PARTICULARS OF EMPLOYEES

There was no employee in the company, in receipt of remuneration in excess of the amount prescribed under Section 217 (2A) of the Companies Act, 1956 and the Companies (Particulars of Employees) Rules, 1988 as amended.

PARTICULARS OF CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGES EARNINGS AND OUTGO

Particulars of statement u/s 217 (1) (e) for conservation of Energy, Technology absorption are not given as the Company has not undertaken any manufacturing activity. During the year under review, the Company has neither earned nor utilized foreign exchanges.

DIRECTORS

None of the Directors of the Company is disqualified from being appointed as Directors pursuant to Section 274(1)(g) of the Companies Act, 1956.

DIRECTORS RESPONSIBILITY STATEMENT

As required under Section 217(2AA) of the Companies (Amendment) Act, 2000, the Board of Directors of the Company confirms that:

- a) In the preparation of the Annual Accounts, the applicable Accounting Standards have been followed and there has been no material departures.

MEDI-NET SERVICES PRIVATE LIMITED

- b) The selected Accounting Policies were applied consistently and the Directors made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31st March 2013.
- c) Proper and sufficient care has been taken 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 frauds and other irregularities.
- d) The Annual Accounts have been prepared on a going concern basis.

AUDITORS

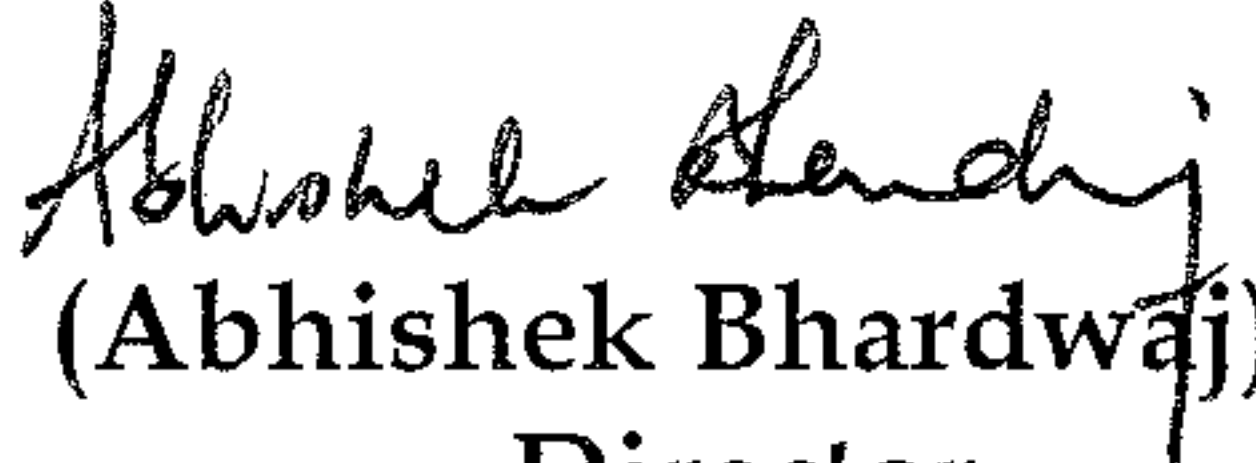
M/s. H. R. Agarwal & Associates, Chartered Accountants, retire as Auditors of your Company at the conclusion of the ensuing Annual General Meeting and being eligible offer themselves for re-appointment.

ACKNOWLEDGEMENT

Your Directors wish to place on record their appreciation to the Bankers, State Government, various other agencies and the employees for their continued co-operation and support.

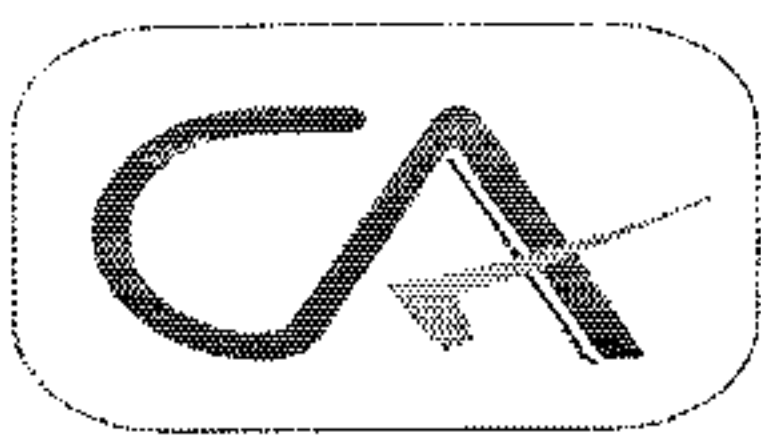
ON BEHALF OF BOARD OF DIRECTORS


(Surendra Kumar Khaitan)
Director


(Abhishek Bhardwaj)
Director

Place : Kolkata

Date : 24th May, 2013



H. R. AGARWAL & ASSOCIATES
CHARTERED ACCOUNTANTS

219-C, Old China Bazar Street
1st Floor, Room No.B-6
KOLKATA - 700 001
Tele : (033)2248-6561, 3022-6561
Telefax : (033) 2230-3207
e-mail : gk.sons@hotmail.com

Independent Auditor's Report to the Members of Medi-Net Service Private Limited

Report on the Financial Statements

We have audited the accompanying financial statements of Medi-Net Service Private Limited ("the Company") which comprise the Balance Sheet as at 31 March 2013 and the Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information. No Statement of Profit & Loss of the Company for the year ended on that date has been prepared; (refer Note no. 8).

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

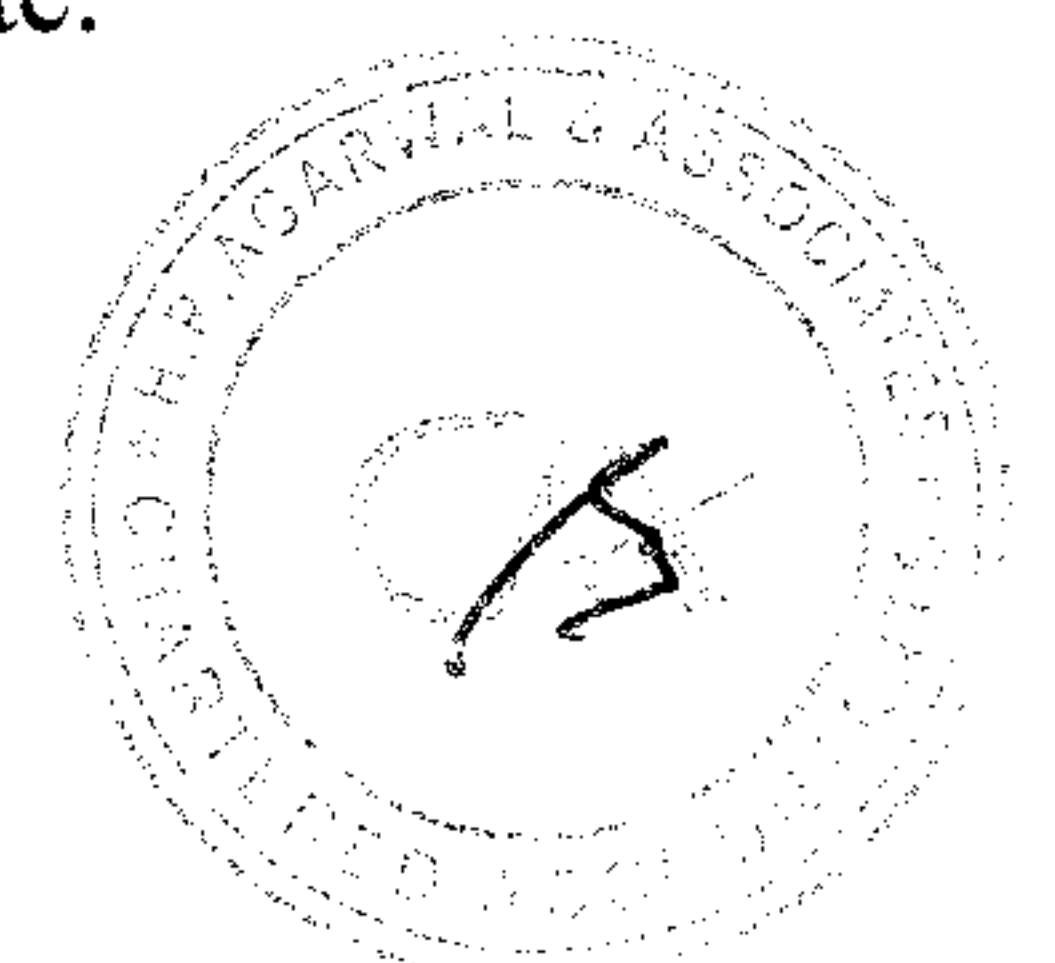
An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or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

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- i. in the case of the balance sheet, of the state of affairs of the Company as at 31 March 2013; and
- ii. in the case of the cash flow statement, of the cash flows for the year ended on that date.



Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order"), as amended, issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by section 227(3) of the Act, we report that:
 - a. we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - b. in our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
 - c. the Balance Sheet and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
 - d. in our opinion, the Balance Sheet and Cash Flow Statement comply with the Accounting Standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956; and
 - e. on the basis of written representations received from the directors as on 31 March 2013, and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2013, from being appointed as a director in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956.
 - f. Since the Central Government has not issued any notification as to the rate at which the cess is to be paid under section 441A of the Companies Act, 1956 nor has it issued any Rules under the said section, prescribing the manner in which such cess is to be paid, no cess is due and payable by the Company.

For **H R Agarwal & Associates**

Chartered Accountants

Firm's registration number: 323029E

Agarwal

(CA. Shyam Sundar Agarwal)

Partner

Membership number: FCA 060033

Place: Kolkata

Date: 24th May, 2013



Annexure to the Auditors' Report

The Annexure referred to in our report to the members of Medi-Net Service Private Limited ("the Company") for the year ended 31 March 2013. We report that:

- i) Since the company is not having any fixed asset as on 31st March 2013 the clause 4(i)(a)(b)(c) of the said order are not applicable to the company.
- ii) (a) Since the company does not have any inventory the sub-clause (II) of the said Order are not applicable to the company. The procedure of physical verification of inventory followed by the management is reasonable and adequate in relation to the size of the Company and the nature of its business.
- iii) (a) As informed to us, the company has neither granted nor taken any loans secured or unsecured to / from companies, firms or other parties, covered in the register maintained under section 301 of the Companies Act, 1956, hence the said order is not applicable to the company.
- iv) In our opinion and according to the information and explanations given to us, there are adequate internal control systems commensurate with the size of the company and the nature of its business with regard to purchases of Inventory, fixed assets and with regard to the sale of goods and services. During the course of our audit, we have not observed any continuing failure to correct major weakness in internal control system.
- v) The Company has not entered into contracts or arrangements the particulars of which are required to be entered into the register in pursuance of Section 301 of the act.
- vi) In our opinion and according to the information and explanations given to us, the Company has not accepted deposit from the public in pursuance to sections 58A and 58AA of the Companies Act, 1956.
- vii) In our opinion, the company has an internal audit system commensurate with its size and nature of its business.
- viii) Provisions relating to maintenance of cost records as prescribed by the Central Government u/s 209 (1) (d) of the Companies Act, 1956, in our opinion are not applicable to the company.
- ix)
 - a) The Company is regular in depositing with appropriate authorities undisputed statutory dues including provident fund, investor education and protection fund, employees' state insurance, income tax, sales tax, wealth-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, Service Tax, Wealth-tax, sales tax, custom duty, excise duty and cess were in arrears, as at 31st March, 2013 for a period of more than six months from the date they became payable.
 - c) According to the information and explanations given to us, there are no dues of sales tax, income tax, service tax, customs duty, wealth tax, excise duty and cess, which have not been deposited on account of any dispute.
- x) The company has no accumulated losses at the end of the financial year and it has not incurred cash losses in the current and immediately preceding financial year.
- xi) In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of any dues to a financial institution or bank or debenture holders.



- xii) In our opinion the Company has not granted loans & advances on the basis of securities by way of pledge of shares, debentures and other securities.
- xiii) 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.
- xiv) 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.
- xv) In our opinion and according to the information & explanations given to us, the company has not given any guarantees for loans taken by others.
- xvi) The company has not obtained any term loan during the Period.
- xvii) 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.
- xviii) According to the information and explanations given to us, the company has not made preferential allotment of shares to the parties & companies covered in the register maintained under section 301 of the act during the year.
- xix) According to the information and explanations given to us, during the period covered by our audit report, the company had not issued any debentures.
- xx) The Company has not raised any money by Public Issue during the Period.
- xxi) 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 **H R Agarwal & Associates**

Chartered Accountants

Firm's registration number: 323029E

Agarwal.

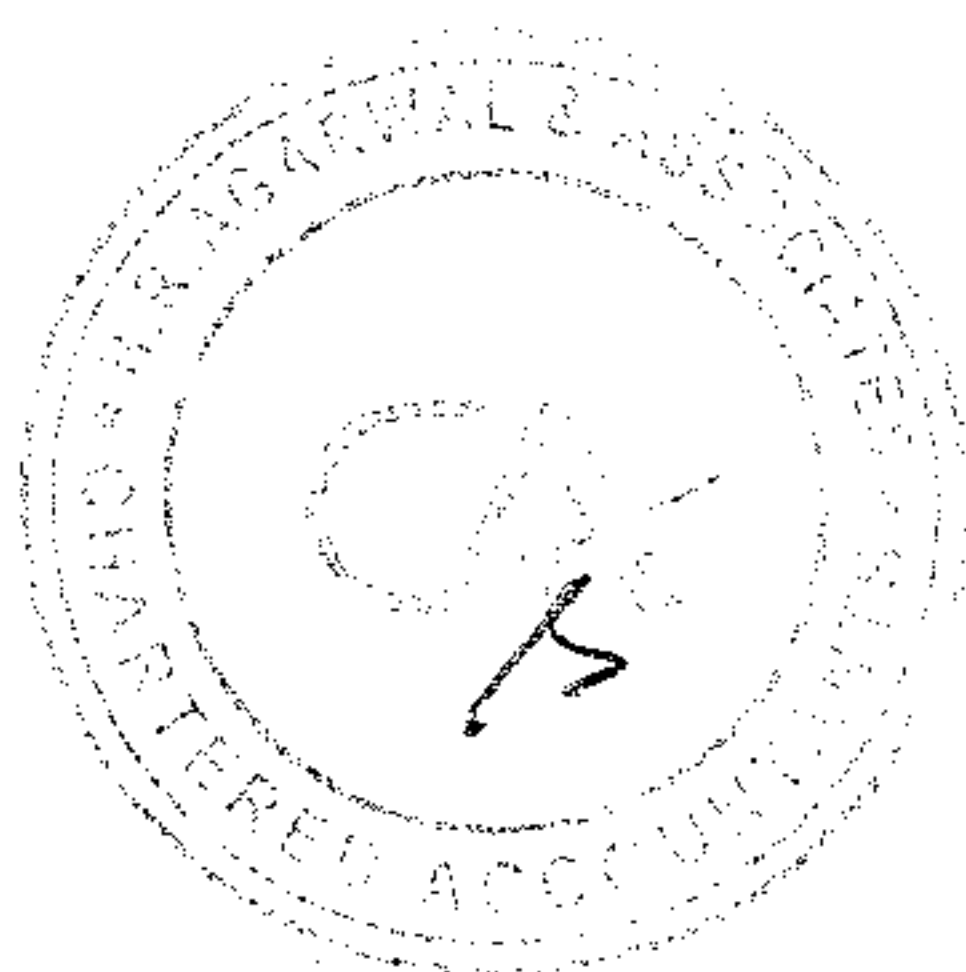
(CA. Shyam Sundar Agarwal)

Partner

Membership number: FCA 060033

Place: Kolkata

Date: 24th May, 2013



Medi-Net Services Pvt. Ltd.

Balance Sheet as at March 31, 2013


	Note No.	As at 31.03.2013 Amount (in Rs.)	As at 31.03.2012 Amount (in Rs.)
EQUITY & LIABILITIES			
Shareholders' Funds			
Share Capital	2	400,000	400,000
Current Liabilities			
Short term borrowings	3	26,902,500	26,791,500
Other Current Liabilities	4	88,790	97,402
Total		27,391,290	27,288,902
ASSETS			
Non-current assets			
Fixed assets			
Tangible assets- Land		27,094,099	27,094,099
Capital Working Progress	5	237,096	176,017
Current assets			
Cash and cash equivalents	6	60,095	8,786
Short term loans and advances	7	-	10,000
Total		27,391,290	27,288,902

Summary of significant accounting policies 1

The accompanying notes are an integral part of the financial statements

As per our report of even date

For H. R. Agarwal & Associates
Chartered Accountants


(CA Shyam Sundar Agarwal)
Partner
Membership No.FCA 060033



For and on Behalf of the Board


Director


Director

Date : 24/05/2013
Place : Kolkata

Medi-Net Services Pvt. Ltd.
Cash Flow Statement Annexed to the Balance Sheet for the year ended 31.03.2013

Particulars	Year Ended 31.03.2013 Amount (Rs.)	Year Ended 31.03.2012 Amount (Rs.)
A. CASH FLOW OPERATING ACTIVITIES		
Operating Profit Before Working Capital Changes		
Adjustments for:		
Decrease in loans & advances	10,000	-
Increase / (Decrease) in Other Current liabilities	(8,612)	22,405
Net Cash From Operating Activities	<u>1,388</u>	<u>22,405</u>
B. CASH FLOW FROM INVESTING ACTIVITIES		
(Increase) / Decrease in Other Non Current Assets	(61,079)	(75,549)
	<u>(61,079)</u>	<u>(75,549)</u>
C. CASH FLOWS FROM FINANCING ACTIVITIES		
Receipt of short term Borrowings	111,000	30,000
	<u>111,000</u>	<u>30,000</u>
D. Net increase/ (decrease) in cash and cash equivalents (A+B+C)	51,309	(23,144)
Opening Cash and cash equivalents	8,786	31,930
Closing Cash and cash equivalents	60,095	8,786
Closing Cash and cash equivalents as per Balance Sheet	60,095	8,786

Note:

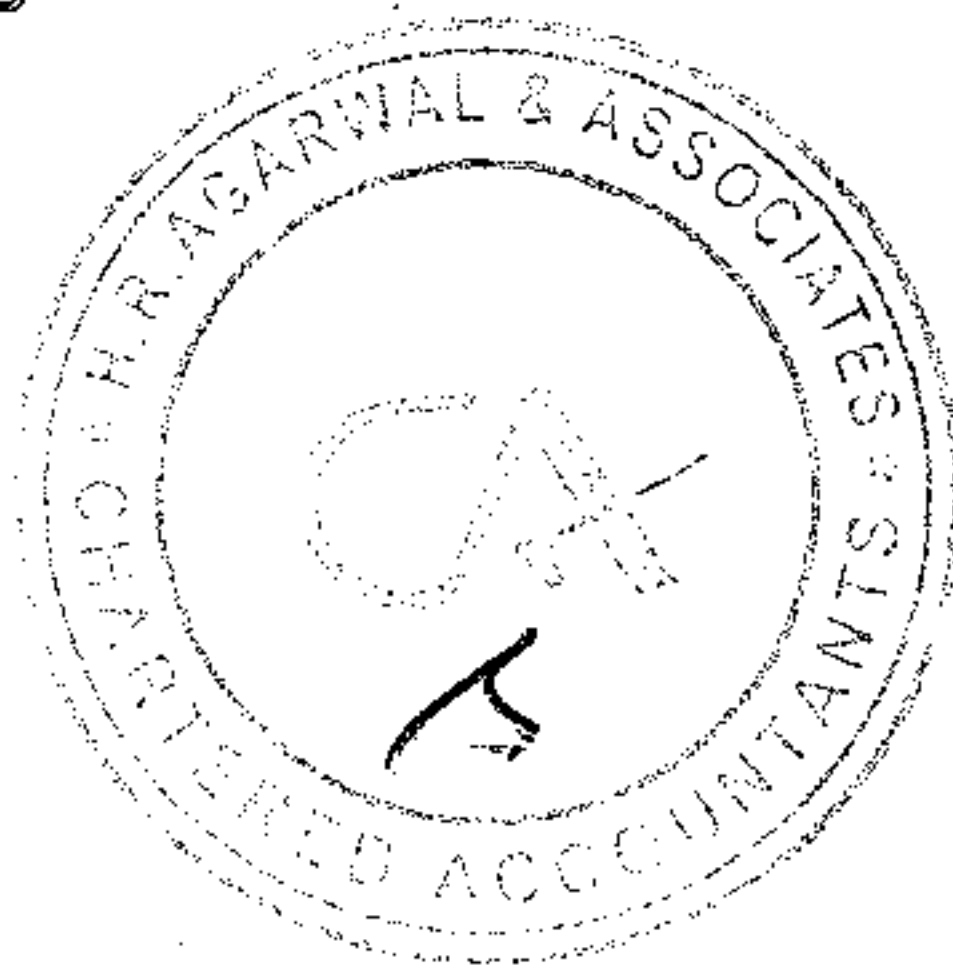
1 Figures in brackets denote cash outflow

The accompanying notes are an integral part of the financial statements

As per our report of even date

For H. R. Agarwal & Associates
Chartered Accountants

Shyam Sundar Agarwal
(CA Shyam Sundar Agarwal)
Partner
Membership No.FCA 060033



For and on behalf of Board of Directors

Sumit
Director

M. K. Bandyopadhyay
Director

Date : 24/05/2013
Place : Kolkata

1) SIGNIFICANT ACCOUNTING POLICIES:**Basis of Accounting**

The Company prepares its financial statements in accordance with generally accepted accounting practices and also in accordance with requirements of Companies Act, 1956.

Revenue Recognition

All expenses incurred up to the date of commercial operation are recognized as Capital work-in-progress.

Contingent Liability

No provision is made for liabilities which are contingent in nature, unless it is probable that future events will confirm that an asset has been impaired or a liability incurred as at the balance sheet date and a reasonable estimate of the revenue loss can be made. However, all known material contingent liabilities are disclosed by way of separate note.

2) SHARE CAPITAL**Authorised :**

50,000 Equity Shares of Rs.10/- each	500,000	500,000
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Issued, Subscribed & Paid-Up:

40,000 Equity Shares of Rs.10/- each fully paid up	400,000	400,000
	<u>400,000</u>	<u>400,000</u>

1) The company has only one class of equity shares having a par value of Rs 10 per share. Each holder of equity shares is entitled to have one vote per share. Dividend if any proposed by the Board of Directors is subject to approval of the share holders in the ensuing AGM.

2) Shares held by its holding company M/S Shristi housing development private Ltd (SHDPL), Shristi Infrastructure Development Limited being the ultimate holding company.	30,000	30,000
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3) Shareholder holding more than 5% of the total shares		
SHDPL	30,000	30,000
Ms. S S Noor	5,000	5,000
Mr. Isha Khan Choudhury	5,000	5,000

3) SHORT TERM BORROWINGS**Unsecured Loans**

-From Body Corporates (Shristi Housing Development Pvt. Ltd)	26,902,500	26,791,500
	<u>26,902,500</u>	<u>26,791,500</u>

4) Other Current Liabilities**Expenses payable**

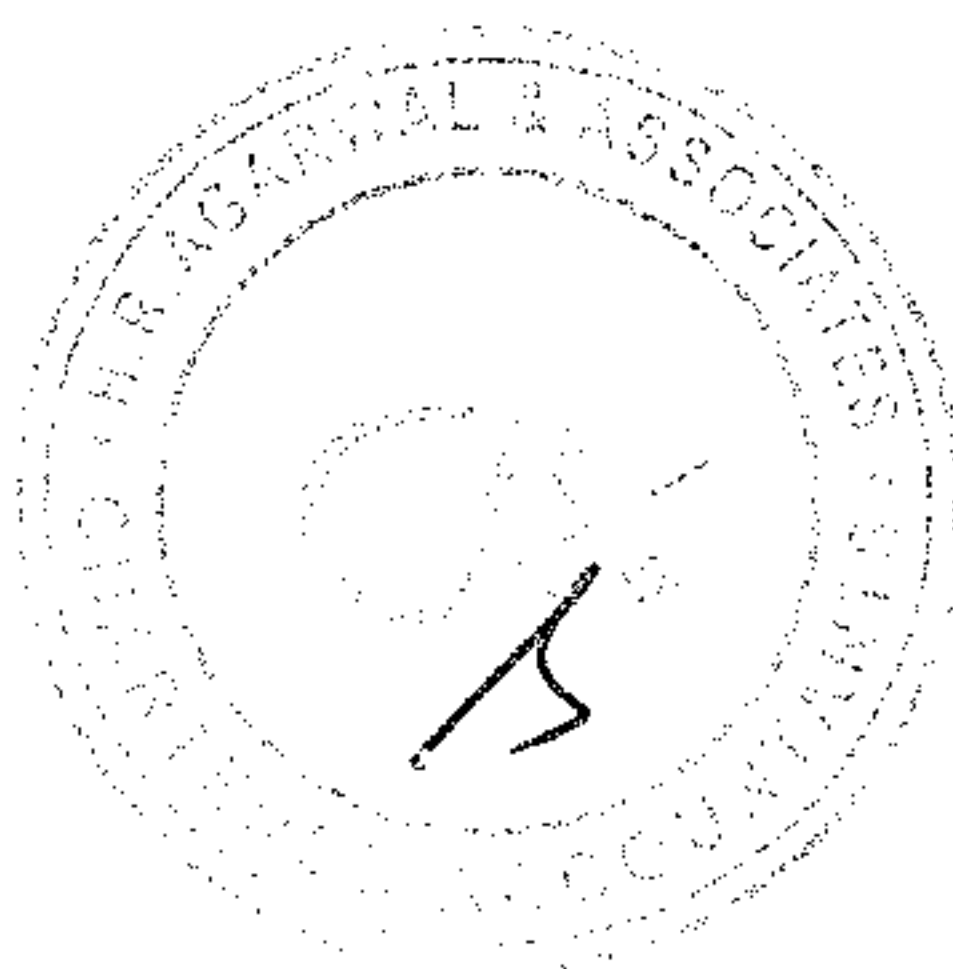
H. R. Agarwal & Associates	5,918	11,030
Singhal Chetani & Co.	-	2,000
Rekha Agarwal	-	500
Problem Shooter's	10,300	11,300
ISHA KHAN CHOUDHURY	59,617	59,617
Other Expenses payable	8,550	8,550
Retention Money Payable	1,380	1,380

Other Liabilities

	3,025	3,025
	<u>88,790</u>	<u>97,402</u>

5) CAPITAL WORKING PROGRESS

Preliminary Expenses.	19,200	19,200
Survey work	27,603	27,603
Pre-Operative Expenses b/f	129,214	36,017
Printing & Stationery Expenses	-	2,271
Rates & Taxes	-	3,025
Legal & Professional Charges	43,000	59,850
Audit Fee	5,618	11,030
Filing Fees	1,048	16,014
General Expenses	11,413	234
Service Tax Input	-	773
	<u>237,096</u>	<u>176,017</u>



Medi-Net Services Pvt. Ltd.

Notes to financial statements for the period ended 31st Mar, 2013

	As At March 31, 2013 (Rs.)	As At March 31, 2012 (Rs.)
6) CASH AND CASH EQUIVALENTS		
Balances with Scheduled Banks - in Current Accounts	55,757	8,690
Cash-in-hand	4,338	96
	60,095	8,786
7) SHORT TERM LOANS AND ADVANCES		
Unsecured and Considered good Advances to staff and other	-	10,000
	-	10,000

8) The company is yet to commence the commercial operations, hence no Profit & Loss Account has been prepared.

9) The Company has not paid any Managerial remuneration to any of the Directors for the period.

10) Contingent liabilities : NIL

11) Related Party Transactions

As per the Accounting Standard – 18, issued by the Institute of Chartered Accountants of India, the Company's related parties and transactions with them have been discussed below:

a. List of related parties & relationships, where control exists:

Holding company of Reporting Enterprise :

Shristi Housing Development Private Limited.

b. Related parties & relationships with whom transactions have taken place during the year:

Key Management Personnel

Mr. Sunil Jha: Director
Mr. Rahul Verma: Director
Mr. Isha Khan Chowdhary: Director

c. Transactions with Related parties

Holding Company :

Short Term Borrowing	111,000	30,000
Closing Balance as on 31.03.2013	26,902,500	26,791,500

12) The Company has identified real estate construction as its sole operating segment and the same has been treated as the primary segment. As such no separate segment information has been provided.

13) Since the company is not having any timing difference and permanent difference as prescribed under Accounting Standard – 22 issued by ICAI hence, provision of Deferred Tax is not required.

14) Previous year figures have been rearranged or regrouped wherever considered necessary.

As per our report of even date

For H. R. Agarwal & Associates
Chartered Accountants

H. R. Agarwal

(CA Shyam Sundar Agarwal)
Partner
Membership No.FCA 060033

Date : 24/05/2013
Place : Kolkata



For and on Behalf of the Board

Sunder
Director

Wishu Bandy
Director