

MEDI-NET SERVICES PRIVATE LIMITED

REGD. OFFICE – PLOT NO.X-1, 2 & 3, BLOCK-EP, SECTOR- V, SALT LAKE CITY
KOLKATA –700091

DIRECTORS' REPORT FOR THE PERIOD ENDED 31ST MARCH, 2011

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, 2011.

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

Mr. Sailesh Jain resigned from the Board with effect from 14th March, 2011. The Board wishes to place on record its appreciation for the valuable services and guidance rendered during his tenure on the Board of your company.

During the period under review the Board appointed Mr. Abhishek Bhardwaj as Additional Director of the Company and he shall hold his office upto the date of this Annual General Meeting. The Company proposes to appoint them as Directors of the Company.

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.

MEDI-NET SERVICES PRIVATE LIMITED

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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;
- 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 2011.
- 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

Place : Kolkata

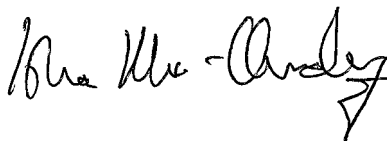
Date : 23rd May, 2011

Isha Khan Choudhury

Rahul Varma

Director

Director

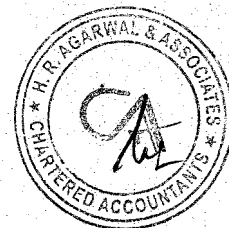




AUDITORS' REPORT

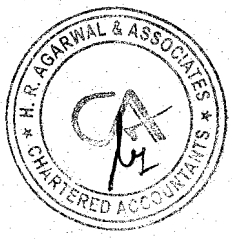
TO THE MEMBERS OF M/S. MEDI – NET SERVICES PRIVATE LIMITED

1. We have audited the attached Balance Sheet of *M/S. MEDI-NET SERVICES PRIVATE LIMITED* as at 31st March, 2011 and the cash flow statement for the year ended on that date annexed hereto, which we have signed under reference to this report. No Profit & Loss Account of the Company for the year ended on that date has been prepared; (refer Note 2.1 of Schedule – 08). This financial statement is the responsibility of the management of the company. Our responsibility is to express an opinion on the financial statement based on our audit.
2. We conducted our audit in accordance with the Auditing Standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As per sub clause (iv) of clause 2 of paragraph 1 of the Companies (Auditor's 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 paragraph 4 and 5 of the said Order.
4. Further to our comments in the Annexure referred to above, 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 purposes 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 dealt with by this report are in compliance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956;
 - e) On the basis of the written representations received from the directors, as on 31st March, 2011 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March, 2011 from being appointed as a director in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956;



- f) In our opinion and to the best of our information and according to the explanations given to us, the said accounts read together with the significant Accounting Policies and notes thereon give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
- i. In the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2011. and
 - ii. In the case of the Cash Flow Statement of the Cash Flows for the year ended on that date.

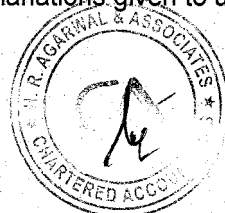
Place: KOLKATA
Date : 23/05/2011



For H. R. AGARWAL & ASSOCIATES
Chartered Accountants
Firm Regn. No.-323029E
H.R. Agarwal
(CA. HARI RAM AGARWAL)
Partner
M. No. FCA 057625

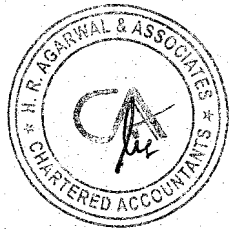
ANNEXURE TO THE AUDITORS' REPORT

- i) Since the company is not having any fixed asset as on 31st March 2011 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.
- 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 system 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 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, except professional tax Rs.2500/- & trade licence Rs.525/- as at 31st March, 2011 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 not completed its 5 years of registration the provisions of clause 4(x) are not applicable to company. Moreover the company has not incurred cash losses during the period covered by our audit & in the immediately preceding period.
- 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.

Place: KOLKATA
Date : 23/0/2011



For H.R.AGARWAL & ASSOCIATES
Chartered Accountants
Firm Regn. No.-323029E

(CA. Hari Ram Agarwal)
Partner
No. FCA 057625

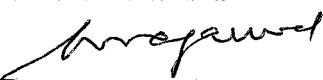
MEDINET SERVICES PRIVATE LIMITED
Balance Sheet as at 31st March,2011

		Amount (in Rs.)	Amount (in Rs.)
	Schedules	As at 31st March,2011	As at 31st March 2010
SOURCES OF FUNDS			
Shareholders Funds	1	400,000	400,000
Unsecured Loans	2	26,761,500	26,761,500
		<u>27,161,500</u>	<u>27,161,500</u>
APPLICATION OF FUNDS			
<u>Fixed Assets</u>	3		
Gross Block		27,094,099	27,094,099
Depreciation		NIL	NIL
Net Block		<u>27,094,099</u>	<u>27,094,099</u>
 Current Assets, Loan & Advance	4		
Cash & Bank Balance		31,930	91,351
Loans & Advances		10,000	-
		<u>41,930</u>	<u>91,351</u>
 Less : Current Liabilities & Provision	5	74,997	79,167
Net Current Assets		<u>(33,067)</u>	<u>12,184</u>
 Miscellaneous Expenditure (To the extent not written off or adjusted)			
Preliminary Expenses.	6	19,200	19,200
Pre-Operative Expenses	7	81,268	36,017
		<u>27,161,500</u>	<u>27,161,500</u>
 Accounting policies and Notes to Accounts	8		


The Schedules referred to above form an integral part of the Balance Sheet

As per our Report of even date
For H. R. Agarwal & Associates
 Firm Registration Number 323029E
 Chartered Accountants

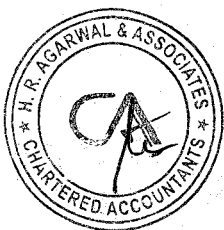
For and on Behalf of the Board


 (CA Hari Ram Agarwal)
 Partner
 Membership No.FCA 057625


 Isha Khan Chowdhury
 Director


 Rahul Varma
 Director

Date : 23rd May, 2011
 Place : Kolkata



MEDINET SERVICES PRIVATE LIMITED
Cash Flow Statement Annexed to the Balance Sheet for the year ended 31.03.2011

Particulars	Year Ended 31.03.2011 Amount (Rs.)	Year Ended 31.03.2010 Amount (Rs.)
A. CASH FLOW OPERATING ACTIVITES		
Operating Profit Before Working Capital Changes		
Adjustments for:		
Increase / (Decrease) in Trade Payable	(4,170)	9,025
Net Cash From Operating Activities	(4,170)	9,025
B. CASH FLOW FROM INVESTING ACTIVITIES		
Decrease in loans & advances	(10,000)	-
(Increase) / Decrease in Misc.Expenditure	(45,251)	(11,725)
Purchase of Fixed Assets	-	(3,726,371)
	(55,251)	(3,738,096)
C. CASH FLOWS FROM FINANCING ACTIVITIES		
Receipt of Borrowings	-	1,200,000
Increase / (Decrease) in Share Capital	-	300,000
	-	1,500,000
D. Net increase/ (decrease) in cash and cash equivalents (A+B+C)	(59,421)	(2,229,071)
Opening Cash and cash equivalents	91,351	2,320,422
Closing Cash and cash equivalents	31,930	91,351
Closing Cash and cash equivalents as per Balance Sheet	31,930	91,351

Note:

1 Figures in brackets denote cash outflow

For H. R. Agarwal & Associates
 Firm Registration Number 323029E
 Chartered Accountants



(CA Hari Ram Agarwal)
 Partner
 Membership No.FCA 057625

For and on behalf of Board of Directors

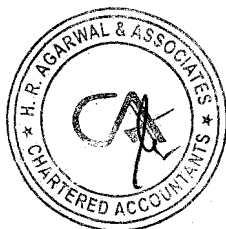


Isha Khan Chowdhury
 Director



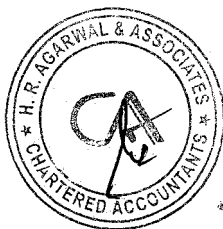
Rahul Varma
 Director

Date : 23rd May, 2011
 Place : Kolkata



MEDINET SERVICES PRIVATE LIMITED
Schedules forming part of Balance Sheet as at 31st March,2011

	Amount (in Rs.) As at 31st March,2011	Amount (in Rs.) As at 31st March 2010
Schedule -1		
Share Capital		
Authorised Share Capital		
50,000 (P.Y. 50,000) Equity Shares of Rs. 10/- each	500,000	500,000
	<u>500,000</u>	<u>500,000</u>
Issued & Subscribed & Paid up Share Capital		
40,000(P.Y40,000) Equity Shares of Rs. 10/- each fully paid up in cash	400,000	400,000
	<u>400,000</u>	<u>400,000</u>
Schedule – 2		
Loan Fund		
Unsecured Loan		
Shristi Housing Development Private Limited	26,761,500	26,761,500
	<u>26,761,500</u>	<u>26,761,500</u>
Schedule -3		
Fixed Assets		
Land :-Opening Balance	27,094,099	23,367,728
Add:- Addition During the year	-	3,726,371
	<u>27,094,099</u>	<u>27,094,099</u>
Schedule -4		
Current Assets,Loan & Advances		
Cash & Bank Balances		
Cash in Hand (as certified by a Director)	14,050	17,300
Balance with Scheduled Banks in Current Accounts	17,880	74,051
	<u>31,930</u>	<u>91,351</u>
Advance against expenses	10,000	-
	<u>41,930</u>	<u>91,351</u>
Schedule – 5		
Current Liabilities & Provision		
Current Liabilities		
Sundry Creditors for Expenses	65,067	60,617
Other Liabilities	9,930	18,550
	<u>74,997</u>	<u>79,167</u>
Schedule –6		
Preliminary Expenses.	19,200	19,200
	<u>19,200</u>	<u>19,200</u>
Schedule – 7		
Pre-Operative Expenses		
(a)Balance B/F	36,017	24,292
(b)Direct Expenses		
Survey work	27,603	-
	<u>27,603</u>	<u>-</u>
(c)Administrative Expenses		
Filing Fees	8,254	2,700
Printing & Stationery	2,271	-
Professional Fees	6,350	1,000
Rates & Taxes	-	3,025
Service Tax Input	773	-
Statutory Audit Fees	-	5,000
	<u>17,648</u>	<u>11,725</u>
Total of Pre-operative Exp (a+b+c)	<u>81,268</u>	<u>36,017</u>



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Medi-Net Services Pvt. Ltd.
SCHEDULES FORMING PART OF THE STATEMENT OF ACCOUNTS AS
AT AND FOR THE PERIOD ENDED 31st MARCH, 2011

Schedule - 8:

ACCOUNTING POLICIES AND NOTES TO ACCOUNTS

1. SIGNIFICANT ACCOUNTING POLICIES:

1.1 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.

1.2 Revenue Recognition

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

1.3 Miscellaneous Expenditure

Miscellaneous Expenditure to the extent not written off is carried forward to be charged to revenue over five years starting from the year of commencement of commercial activity.

1.4 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. NOTES TO THE ACCOUNTS:

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

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

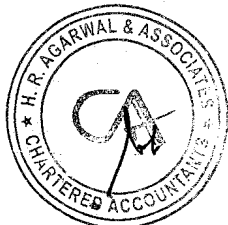
2.3 Contingent liabilities : NIL


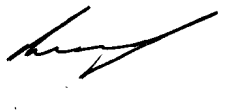
2.4	Audit fees	Rs. 5515/-
	Professional Tax (Company)	Rs. 2500/-
	Trade Licence Fees	Rs 525/-

For the year, are not provided for.

2.5 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:

i. **Key Management Personnel**

Mr. Sunil Jha: Director

Mr. Rahul Varma: Director

Mr Isha Khan Chowdhury: Director

c. Transactions with Related Parties:

S. No.	Relationship	Nature of Amount received	2010-2011 (Rs)	2009-2010 (Rs)
1.	Holding Company	Advance received Opening Received during the year	2,67,61,500/- Nil	2,55,61,500/- 12,00,000/-
		Closing	2,67,61,500/-	2,67,61,500/-

2.6 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.

2.7 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.

2.8 Additional information pursuant to Part IV of the Schedule VI to the Companies Act, 1956 is as Annexure – A.

Signatures to Schedules from 1 to 8:

As per our Report of even date

For H. R. Agarwal & Associates

Firm Registration Number 323029E

Chartered Accountants

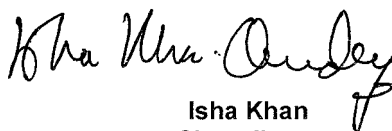


(CA Hari Ram Agarwal)

Partner

Membership No.FCA 057625

For and on Behalf of the Board



**Isha Khan
Chowdhury**
Director



Rahul Varma
Director

Date : 23rd May, 2011

Place : Kolkata



PART IV OF SCHEDULE VI OF THE COMPANIES ACT, 1956

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

I. Registration Details

CIN no	U72200WB2007PTC117940	State Code	21
Balance Sheet Date	31.03.2011		

II. Capital raised during the year : (Amount in thousand Rs.)

Public Issue	NIL	Rights Issue	NIL
Bonus Issue	NIL	Private Placement	NIL

III. Position of mobilization and deployment of funds : (Amount in thousand Rs.)

Total Liabilities	27,162	Total Assets	27,162
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Sources of Funds

Paid up Capital	400	Reserves & Surplus	NIL
Secured Loan	NIL	Unsecured Loan	26,762

Application of Funds

Fixed Assets	27094	Investments	-
Net Current Assets	-33	Misc. Exp.	101

IV. Performance of the Company : (Amount in thousand Rs.)

Turnover	-	Total Expenditure	-
Profit before Tax	-	Profit after Tax	-
Earning per Share	-	Dividend	-

V. Generic names of the three principal products of the Company :

ITC Code	Not Applicable
Product Description	Infrastructure Development & Construction Work

As per our Report of even date

For H. R. Agarwal & Associates

Firm Registration Number 323029E

Chartered Accountants

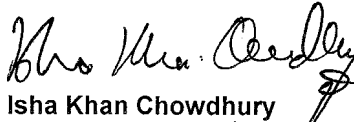
For and on Behalf of the Board



(CA Hari Ram Agarwal)

Partner

Membership No.FCA 057625



Isha Khan Chowdhury

Director



Rahul Varma

Director

Date : 23rd May, 2011

Place : Kolkata

