

**AUDITOR'S REPORT**

To,

**The Members,  
Medgel Private Limited,  
Indore, Madhya Pradesh**

1. We have audited the attached Balance Sheet of **Medgel Private Limited** as at 31<sup>st</sup> March 2011 and also the statement of Pre-operative Expenditure For the period ended on that date annexed thereto. 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.
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 required by the Companies (Auditor's Report) Order, 2003 [as amended by the Companies (Auditor's Report) (Amendment) Order, 2004] issued by the Department of Company affairs in term of sub-section 227(4A) of the Companies Act, 1956,
4. Further to our comments in the Annexure referred to above, we report that:
  - (i) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;
  - (ii) 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;
  - (iii) The Balance Sheet & the Statement of Pre-operative Expenditure dealt with by this report are in agreement with the books of account;
  - (iv) In our opinion, the Balance Sheet & the Statement of Pre-operative Expenditure dealt with by this report comply with the Accounting Standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956 to the extent applicable;




- (v) On the basis of written representations received from the Directors, as on 31<sup>st</sup> March 2011 and taken on record by the Board of Directors, we report that none of the Directors of the company i.e. **Medgel Pvt. Ltd.** as on 31<sup>st</sup> **March, 2011** is disqualified for appointment in the afore mentioned Company in terms of Clause (g) of sub-section (1) of section 274 of the Companies Act, 1956 On the said date.
- (vi) In our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
- a In the case of the Balance Sheet, of the state of affairs of the Company as at 31<sup>st</sup> **March 2011;**
- b In the case of the Statement of Pre-operative Expenditure, for the period ended on that date.

**DATE: 02/09/2011**

**PLACE: INDORE**




**For : C.P.RAWKA & CO.**  
**Chartered Accountants**



**C.P.RAWKA**  
**(Proprietor)**  
Firm Regn No. 000518 C

Plot No. 19-20, Special Economic Zone  
Pharma Zone, Phase-II, Sector-III  
Pithampur, Dist. Dhar (M.P.) 454775

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MEDGEL PRIVATE LIMITED.				
BALANCE SHEET AS ON 31ST MARCH 2011				
SCHEDULE	Rupees	31st March 11 Rupees	31st March 10 Rupees	
<b>SOURCES OF FUNDS :</b>				
<b>SHARE HOLDERS' FUNDS :</b>				
Share Capital	1	15640000	15640000	
Share Application Money	2	250660000	89960000	
Reserve and Surplus	3	38850000	38850000	
<b>TOTAL</b>		<b>305150000</b>	<b>144450000</b>	
<b>APPLICATION OF FUNDS :</b>				
<b>FIXED ASSETS</b>				
Gross Block	4	861576	446576	
Less: Depreciation		114164	50012	
Net Block		<b>747412</b>	<b>396564</b>	
CAPITAL WORK IN PROGRESS		303013390	98329795	
<b>CURRENT ASSETS, LOANS &amp; ADVANCES :</b>				
Cash and Bank Balances	5	2079507	4291215	
Loans and Advances	6	8226101	41292896	
		<b>10305608</b>	<b>45584111</b>	
Less :				
<b>CURRENT LIABILITIES AND PROVISIONS :</b>				
Current Liabilities	7	29421970	9202625	
		<b>29421970</b>	<b>9202625</b>	
<b>NET CURRENT ASSETS</b>		<b>-19116363</b>	<b>36381486</b>	
<b>MISCELLANEOUS EXPENDITURE</b>				
(To the extent not written off or adjusted)	8	21490.00	21490	
Preoperative Expenses	9	20484071	9320665	
<b>TOTAL</b>		<b>305150000</b>	<b>144450000</b>	
Significant Accounting Policies & Notes on Accounts	10			
As Per our attached report of even date				
For: C.P. Rawka & Co. Chartered Accountants FRN No. 070060		FOR AND ON BEHALF OF THE BOARD		
				
C.P. Rawka Proprietor M.No.000518C		ALOK K GARG DIRECTOR		
				
		AKSHAY MEHTA DIRECTOR		
Date: 2nd September, 2011 Place: Indore				

SCHEDULES ANNEXED TO AND FORMING PART OF THE BALANCE SHEET

	31st March 11 Rupees	31st March 10 Rupees
<b>SCHEDULE 1 : SHARE CAPITAL</b>		
<b>AUTHORISED</b>		
50,00,000 Equity Shares of Rs.10/- each (Previous year 10,00,000 Equity Shares of Rs.10/- each)	<u>50000000.00</u>	<u>50000000</u>
<b>ISSUED CAPITAL</b>		
15,64,000 Equity Shares of Rs. 10/- each (Previous Year 10,000 Equity Shares of Rs.10/- each)	<u>15640000.00</u>	<u>15640000</u>
<b>SUBSCRIBED CAPITAL</b>		
15,64,000 Equity Shares of Rs. 10/- each (10,000 Equity Shares of Rs. 10/- each)	<u>15640000.00</u>	<u>15640000</u>
	<u>15640000.00</u>	<u>15640000</u>
<b>SCHEDULE 2 : SHARE APPLICATION MONEY</b>		
1. MEDI-CAPS LIMITED	182955000.00	42455000
2. MISSION VIVA CARE LIMITED	67705000.00	47505000
	<u>250660000.00</u>	<u>89960000</u>
<b>SCHEDULE 3 : RESERVE &amp; SURPLUS</b>		
Share Premium	<u>38850000.00</u>	<u>38850000</u>
	<u>38850000.00</u>	<u>38850000</u>
<b>SCHEDULE 5 : CASH AND BANK BALANCES</b>		
Cash in Hand	16441.00	36620
<b>Balances with Banks :</b>		
In current account	863066.30	513963
In Fixed Deposit	<u>1200000.00</u>	<u>3740632</u>
	<u>2079507.30</u>	<u>4291215</u>
<b>SCHEDULE 6 : LOANS AND ADVANCES</b>		
(Unsecured considered good unless otherwise stated)		
Advances recoverable in cash or kind or for value to be received	2100952.00	1293175
Advances for Capital Goods/Services	<u>6125148.65</u>	<u>39999721</u>
	<u>8226100.65</u>	<u>41292896</u>
<b>SCHEDULE 7 : CURRENT LIABILITIES</b>		
Sundry Creditors for Goods, Services & Expenses	23464745.75	5911281
Other Liabilities	<u>5957224.72</u>	<u>3291344</u>
	<u>29421970.47</u>	<u>9202625</u>
<b>SCHEDULE 8 : MISCELLANEOUS EXPENDITURE</b>		
(To the extent not written off or adjusted)		
Preliminary Expenses	21490.00	21490
Less : Written off during the year	<u>0.00</u>	<u>0</u>
	<u>21490.00</u>	<u>21490</u>



**SCHEDULE 4: FIXED ASSETS**

Sr. No.	FIXED ASSETS	GROSS BLOCK				DEPRECIATION				NET BLOCK	
		As At 01.04.2010	Addition during the year	Sales during the year	Total As At 31.03.2011	Upto 01.04.2010	For the year	Total Adj/ Deduction	As at 31.03.2011	As At 31.03.2011	As At 31.03.2010
1	COMPUTERS	54620	415000	0	469620	13555	26916	0	40471	429149	41065
2	VEHICLE	391956	0	0	391956	36457	37236	0	73693	318263	355499
	Grand Total	446576	415000	0	861576	50012	64152	0	114164	747412	396564
	Previous Year	84503	362073	0	446576	7871	42141		50012	396564	76632





**GROUPING**

**31st March 11 31st March 10**

**1. LIST OF ADVANCES RECOVERABLE IN CASH OR KIND OR VALUE TO BE RECEIVED**

SUNDRY DEPOSITS	1376679.00	746618
Advance to Staff	0.00	0
P. T. Electronics	107970.00	0
Prepaid Expenses	365632.00	365752
TDS Receivable	21047.00	10071
Service Tax Receivable	229624.00	170734
	<b>2100952.00</b>	<b>1293175</b>

**2. LIST OF SUNDRY DEPOSITS**

Deposit for Power Connection	645699.00	64638
Deposit for Water	35000.00	10000
Deposit with Sales Tax dept	10000.00	10000
Security deposit for Lease Rent	661980.00	661980
Security deposit for Cylinder.	24000.00	0
	<b>1376679.00</b>	<b>746618</b>

**3. LIST OF ADVANCES TO SUPPLIERS :-**

Brookfield Engineering Laboratories	482174.40	0
Carrier Air Conditioners & Refrigeration Ltd	110212.00	0
Cool Aid	18941.00	0
Fintek Floorings Pvt. Ltd.	2222.00	0
Jabalpur Engineers (Jabalpur)	30000.00	0
Kehems Engineering Pvt. Ltd.	22760.00	0
Lubi Electronics	49.00	0
Marg Solutions	10000.00	0
Maruti Koatsu Cylinders Ltd.	62250.00	0
Newgen Specialty Plastics Ltd.	267000.00	0
Nisar Khan	85000.00	0
Prashant Mahajan	266400.00	0
Radium (Technocrat)	75000.00	0
Saheb Auto Garage	7000.00	0
Sairam Electrical	50000.00	0
Samar Associates	529336.00	0
Sarit Jain & Associates	27461.00	0
Vishwadarshan Electronic	16250.00	0
Shyam	50000.00	0
R. K. Trading Co.	0.00	6000000
Birla Corporation Ltd	17200.00	373935
Creative Designer	30000.00	30000
Knowledge Labs	25000.00	25000
National Steel & Agro Ind.Ltd	1.00	411282
Pharmapack Asia Ltd	3940892.25	2811566
Snehal AC & R Engg P.Ltd	0.00	4150000
Airpac Laminair	0.00	700000
Chicago Pneumatic Sales	0.00	75000
ABB Ltd.	0.00	115365
Cristopia Energy Systems India P.Ltd	0.00	1332500
Dewas Techno Products P.Ltd.	0.00	96000
Doshion Veolia Water Solutions P.Ltd.	0.00	621281
GIC Engineering INC	0.00	18210656
Grundfos Pumps India P.Ltd.	0.00	67311
Himgiri Cooling Towers	0.00	51000
J.N.Marshall Pvt.Ltd.	0.00	150000
Josts Engineering Co. Ltd.	0.00	113000
K Flex India Pvt. Ltd.	0.00	4105
Ambience Aircon P.Ltd-A/c Snehal	0.00	243404
Labguard India P.Ltd.	0.00	216500
Mechno-Tech Engineering Corp	0.00	25000
Metro Elevator Co. Pvt. Ltd.	0.00	996000
Asiatic Traders	0.00	44330
Newtronic Equipment Co.Pvt.Ltd	0.00	390000
Pharma Fab Engineers	0.00	210000
Babji Steels	0.00	485
Pharma Tech	0.00	2000000
Sartorius Mechatronics India P.Ltd	0.00	252000
Bio Tech Enviracare System Ltd	0.00	200000
Spectralab Instruments P.Ltd	0.00	84000
	<b>6125148.65</b>	<b>39999721</b>



**4. LIST OF OTHER LIABILITIES**

TDS on contractors' payment	14909.00	65104
TDS on Salary	4860.00	6630
TDS on Professional Fees	607.00	4816
Outstanding Expenses	714566.72	188794
Security Deposit from Civil Contractor	5192157.00	2967509
Professional Tax Deduction	1355.00	636
Pradeep Vyas	28770.00	57855
	<u>5957224.72</u>	<u>3291344</u>

**5. CAPITAL WORK IN PROGRESS**

Building Under Construction	114416793	70010312
Fabrication Work in Progress	9945913.00	4808086
Land Premium	8836400.00	8836400
HVAC Under Construction	33354689.00	3350491
Electric Installation	20036484.00	57036
Utility Under Construction	7035993.00	155921
Consultancy Fees for Engineering	4200000.00	4200000
Stock of Cement	0.00	382012
Stock of TMT Bars	0.00	260285
Dehumidifier	0.00	5322454
Water Purifier	0.00	946798
Air Conditioner	1182939.00	0
Blister Machine	3852700.00	0
D.G.Set	4890000.00	0
Electric Pedestrian Machine	570650.00	0
Empty Drums	19600.00	0
Furniture & Fixtures	161461.00	0
Gelatine Equipment	9383510.00	0
GIC Machine	58565911.00	0
Lab Equipment	13817414.00	0
LPG Connection	3340.00	0
Production Equipment	3177200.00	0
Pumps	616845.00	0
Purchase of Computers	663600.00	0
Sifter Machine	736000.00	0
SS Items	2371532.00	0
Tools & Tackles	3800.00	0
Water Purifier	5039470.00	0
Water Storage Tank	98945.00	0
Welding Machine	32201.00	0
	<u>303013390.00</u>	<u>98329795</u>



**6 LIST OF SUNDRY CREDITORS**

Aastha Clean Room Systems	485430.00	858615
Adarsh Building Technologies Pvt. Ltd	707895.00	0
Allied Sales Corporation (Indore)	17227.00	0
Alok Industries	181.00	0
Ambience Aircon P.Ltd-A/c Snehal	14815.00	0
Arihant Enterprises (Indore)	3800.00	0
Arvind Chemicals (Indore)	500.00	0
Asiatic Traders	4871.00	0
Bharat Distributors	20897.00	0
Bhopal Gelatines Pvt. Ltd.	1200000.00	0
Bijendra Tiwari	49155.00	0
Bio Tech Enviracare System Ltd	100000.00	0
Cristopia Energy Systems India P.Ltd	57500.00	0
Crown Chemicals (Indore)	7400.00	0
Delight Computers (Indore)	100.00	0
Doshion Veolia Water Solutions P.Ltd.	415906.00	0
Emerald Marketing (Indore)	7500.00	0
Fairdeal International	61924.00	0
Choksi Laboratories Ltd	10131.00	0
GIC Engineering INC	11508824.75	0
Halen Trading Company (Indore)	22516.00	0
Harishchand Davade	2985.00	0
Himgiri Cooling Towers	51000.00	0
Image Technologies	520.00	0
Ima PG India Ltd	770000.00	0
Snehal AC & R Engg P.Ltd.	437473.00	0
Industrial Gas Supplying Corp.	780.00	0
Inox Air Products Ltd.	8817.00	0
Jakson & Company	245500.00	0
J. J. Enterprises (Indore)	190.00	0
J.N.Marshall Pvt.Ltd.	120000.00	0
J.P. Engineering & Auto Fabrication Works	35000.00	0
Kanchan Trading Company	369.00	0
Kasyap Sweetners Limited	10800.00	0
Khandelwal Electric Corporation	12223.00	0
Klassicoil	371532.00	0
Lloyd Insulations (India) Ltd	1.00	0
Machin Fabrik	127500.00	0
Masterguard Security Services P.Ltd.	29400.00	29210
Medi-Caps Inst.of Tech & Mgmt	25885.00	34000
MEDI-CAPS LIMITED	75737.00	0
Metro Elevator Co. Pvt. Ltd.	166995.00	0
Mission Vivacare Ltd	198572.00	207172
Munters India Humidity Control P.Ltd.	269000.00	519000
Newtronic Equipment Co.Pvt.Ltd	285000.00	0
Neeta Builder	1031911.00	0
PATANKER PRINTING PRESS	2990.00	0
Pci Analytic Pvt. Ltd.	12900.00	0
Pharma Fab Engineers	73600.00	0
Pharma Tech	1969820.00	0
P.J.Industries(Indore)Pvt. Ltd.(Indore)	360560.00	0
Polygon Enterprises (Indore)	374.00	0
Prakash Vasuniya Senetary	1376.00	0
Rahul Engineering Works (Indore)	500.00	0
Raj Trading Co. (Pithampur)	330.00	0
Ravi Insulation	19926.00	0
R.K.Trading Co.	595802.00	0
R.P. Labour Suppliers	11690.00	0
Ruby Construction	82331.00	3212483
Sai Sneh Stones (Indore)	16204.00	0
Sartorius Mechatronics India P.Ltd	252000.00	0
Sartorius Stedim India Pvt. Ltd	50000.00	0
Savoir-Faire Manufact. Co. P. Ltd.	85875.00	155921
Scientific Refractories	115460.00	0
SD Electricals & Engineers	6750.00	0





S.D. Tools and Equipments	75430.00	0
Secon Controls (Indore)	4275.00	0
Selmore (Indore)	29440.00	0
Shreenath Automations	5425.00	0
Shree Panchal Engineering Work(Indore)	1200.00	0
Shreeram Enterprises (Indore)	48300.00	0
Shree Shantinath Steel	69026.00	653490
Shri Adhikari Brothers	4608.00	396
Shri Mahavir Electricals (C/O of Sairam Elect.)	6546.00	0
S K Traders	262245.00	0
S.S. Enterprises	26600.00	0
Sunny Enterprises (Indore)	7175.00	0
Tirupathi Enterprises (Pithampur)	32201.00	0
Vishwadarshan (Indore)	2400.00	0
Vsn International	41100.00	0
Varun Enterprises	216524.00	0
Associated Small Industries		19386
D.K. Jain & Co. Assessor Valuers Pvt. Ltd.		2500
ESDI Constructions		149189
J.K. Brothers		30138
J.S. Industries		9256
R.K. Drilling & Breaking		30525
<b>Total</b>	<b>23464745.75</b>	<b>5911281</b>

**OUTSTANDING EXP**

Telephone Exp.	3920.72	3763
Miscellaneous Exp	16619.00	15000
Water Charges	7750.00	0
Power	163431.00	25386
Audit Fees	2500.00	2500
Guest Entertainment Exp.	4739.00	0
Salary and Wages	394221.00	91187
Administrative Salary	45691.00	17958
Staff welfare Exp.	0.00	15000
Travelling & Loading Exp.	0.00	18000
Loading & Unloading Exp.	60000.00	0
Freight Inwards	500.00	0
VAT A/C	745.00	0
Vehicle Running Exp.	14450.00	0
	<b>714566.72</b>	<b>188794</b>



**SCHEDULE 9 : PREOPERATIVE EXPENSES**

	During the Year	Opening Bal as on 01.04.10	Closing Bal. as on 31.03.11	During the Year	Opening Bal as on 01.04.09	Closing Bal. as on 31.03.10
Administrative Salary	403604.00	636862.00	1040466.00	351209	285653	636862
Audit Fees	2500.00	7500.00	10000.00	2500	5000	7500
Bhoomi Pujan Expenses		107856.00	107856.00	0	107856	107856
Books & Periodicals		1190.00	1190.00	615	575	1190
Bank charges	415893.00	257562.20	673455.20	256786	776	257562
Consultancy Fees	77600.00	288900.00	366500.00	52150	236750	288900
Conveyance Expenses	37257.00	146296.00	183553.00	28174	118122	146296
Depreciation	64152.00	50012.00	114164.00	42141	7871	50012
Expenses for Explosive License	148000.00	54000.00	202000.00	54000	0	54000
Export Duty on Steel		888527.00	888527.00	0	888527	888527
Freight Inward Exp	149154.00	98570.00	247724.00	98570	0	98570
Guest Entertainment Exp.	36143.00	3080.00	39223.00	3080	0	3080
Insurance Expenses	162738.00	216091.00	378829.00	216091	0	216091
Interest on TDS	354.00	7333.00	7687.00	1715	5618	7333
Interest Paid		36409.00	36409.00	36409	0	36409
Interest Recd	-109755.00	-100703.00	-210458.00	-100703	0	-100703
Lease Rent	221416.00	592457.00	813873.00	219904	372553	592457
Loading & Unloading Expenses	519937.00	30400.00	550337.00	6740	23660	30400
Maintenance Charges		710948.00	710948.00	263885	447063	710948
Miscellaneous Exp	607850.00	558796.00	1166646.00	289625	269171	558796
Miscellaneous Receipt	-513140.00	-2100.00	-515240.00	-2100	0	-2100
Postage Telegram & Courier	250.00	96.00	346.00	0	96	96
Power Charges	661831.00	295686.00	957517.00	170686	125000	295686
Rates Taxes & Fees	44970.00	1239287.00	1284257.00	945144	294143	1239287
Recruitment Exp		17527.00	17527.00	0	17527	17527
Salary and Wages	2639105.00	1626212.00	4265317.00	1067576	558636	1626212
Security Charges	354453.00	349200.00	703653.00	245153	104047	349200
Stationery & Printing	23028.00	18792.00	41820.00	5162	13630	18792
Staff Welfare Expenses	16108.00	57450.00	73558.00	44165	13285	57450
Small Assets written off		4555.00	4555.00	0	4555	4555
Telephone Exp	50860.08	83658.00	134518.08	32230	51428	83658
Testing charges		69682.00	69682.00	7565	62117	69682
Travelling & Lodging exp	375170.00	896613.00	1271783.00	612516	284097	896613
Vehicle Running & Maint Expenses	264715.00	62211.00	326926.00	53865	8346	62211
Website development charges		9710.00	9710.00	3800	5910	9710
Computer Repairing	21728.00	0.00	21728.00	0	0	0
Connection Charges	150000.00	0.00	150000.00	0	0	0
Development Charges to AKVN	265699.00	0.00	265699.00	0	0	0
Duty on DTA Clearance	104970.00	0.00	104970.00	0	0	0
Electric Repair & Maintenance	5351.00	0.00	5351.00	0	0	0
Freight on Import Exp.	1501882.00	0.00	1501882.00	0	0	0
Installation Charges	96600.00	0.00	96600.00	0	0	0
Labour & Employment Exp.	115767.00	0.00	115767.00	0	0	0
LEGAL EXPENSES	3756.00	0.00	3756.00	0	0	0
Legal & Professional Fees	206078.00	0.00	206078.00	0	0	0
Water Expenses	10300.00	0.00	10300.00	0	0	0
Water Testing Exp.	28131.00	0.00	28131.00	0	0	0
Lab Items Chemicals	378860.00	0.00	378860.00	0	0	0
General Stores		0.00	0.00	0	0	0
Trial Raw Material	1619345.00	0.00	1619345.00	0	0	0
Vat A/c	745.00	0.00	745.00	0	0	0
Round Off		0.24	0.24	0	0	0
<b>Total</b>	<b>11163405.08</b>	<b>9320665.44</b>	<b>20484070.52</b>	<b>5008653</b>	<b>4312012</b>	<b>9320665</b>

