

CERTIFIED TO BE TRUE

For Raaj Medisafe India Limited



Director

**RAAJ MEDISAFE INDIA
LIMITED**

(Formerly MANOJ SURGICAL INDUSTRIES LIMITED)

25TH

ANNUAL REPORT

2009-2010

BOARD OF DIRECTORS

| | |
|----------------------|----------|
| Shri M. C. Dhandia | Chairman |
| Shri Satish Rakyan | Director |
| Shri R.K. Jain | Director |
| Shri Himanshu Sharma | Director |
| Shri Manoj Dhandia | Director |
| Shri T. C. Jain | Director |
| Shri Sunil Jain | Director |
| Shri Manoj Yadav | Director |

SHARE TRANSFER AGENT

Ankit Consultancy Pvt. Ltd.
2nd Floor, Alankar Point
A.B.Road,
Indore (M.P.)

AUDITORS

M/s. N. Parik & Associates
Chartered Accountants
Indore

REGISTERED OFFICE

106, Sector III,
Industrial Area,
Pithampur - 454 774
Distt. Dhar (M. P.)

RAAJ MEDISAFE INDIA LIMITED
NOTICE OF 25th ANNUAL GENERAL MEETING

Notice is hereby given that the 25th Annual General Meeting of the Members of Raaj Medisafe India Limited, will be held at the Registered Office of the Company at 106, Sector - III, Industrial Area, Pithampur - 454774 on Thursday, the 30th September, 2010 at 11:00 A.M. to transact the following business :-

ORDINARY BUSINESS:

1. To receive, consider and adopt the Balance Sheet as at 31st March 2010 and Profit & Loss Account of the Company for the year ended on that date, and the Reports of Directors and Auditors thereon.
2. To appoint a Director in place of Shri Manoj Dhandia, who retires by rotation and being eligible, offers him self for re-appointment.
3. To appoint a Director in place of Shri Satish Rakyan who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint Auditors of the Company and to fix their remuneration.

Place : Pithampur
Date : 12th August, 2010

By Order of the Board


(Manoj Dhandia)
DIRECTOR

NOTES:

1. **A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND A PROXY NEED NOT BE A MEMBER.**
2. The Proxies, in order to be effective, must be deposited at the registered office of the Company not less than 48 hours before the commencement of the Meeting.
3. The Register of Members and Share Transfer Register of the Company will remain closed from Wednesday, 29th September 2010 to Thursday, 30th September, 2010 (both days inclusive).
4. Members are requested to bring their copy of the Annual Report with them for Meeting.
5. As per the provisions of Section 109A of the companies Act, 1956, facility for making nomination is now available for members of the Company. Members who wish to avail this facility may obtain the nomination Form-2B from the Company.

Form - B

RESEARCH AND DEVELOPMENT (R&D)

- 1) Optimum utilization of resources has resulted in saving of power and fuel cost which in turn has made the product more competitive.
- 2) For streamlining of Men & Material movement, changes have also been carried out in existing layout.
- 3) Some old Machinery are modified & brought in to operation resulting improvement of productivity.

Expenditure on R & D - Charged to respective head of accounts.

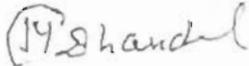
TECHNOLOGY ABSORPTION, ADAPTION AND INNOVATION:

- i) Efforts in brief made towards technology Absorption, adoption and innovation N.A.
- ii) Benefits derived as a result of the above efforts
- iii) Information regarding Technology imported during last five year N.A.

FOREIGN EXCHANGE EARNING AND OUT GO:-

| | | |
|--------------------------------|---------|---------|
| EARNINGS (FROM EXPORT) | 6575647 | 6100751 |
| EXPENDITURE | | |
| i) Raw Material | 8073817 | 303568 |
| ii) Components and Spare Parts | NIL | NIL |

For & On Behalf of the Board of Directors


M. C. DHANDIA
(CHAIRMAN)

Place : Indore
Date : 12.08.2010

INSURANCE

The Buildings, Plant & Machinery, Stocks, Stores and Spares of the Company are adequately insured against various risks including machinery break down.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUT GO

The details required under section 217 (1) (e) of The Companies Act, 1956 are given in the Annexure and forms part of this report.

HUMAN RESOURCES

Your Directors wish to place on record that their sense of appreciation towards the employees of the company for their devoted services and sustained efforts in keeping the operations going and maintaining the best of efficiency and giving their best for optimum output of production even though the operations been faced various adverse marketing factors and erratic supplies of raw materials due to external factors.

ACKNOWLEDGEMENT

Your Directors wish to place on record their sincere appreciation for the continued co-operation and support given to the Company by its Customers, Shareholders, Bankers, and Central & State Governments including all those associated with the Company.

For & On Behalf of the Board of Directors

Place : Indore
Date : 12.08.2010


M. C. DHANDIA
(CHAIRMAN)

ANNEXURE TO THE DIRECTORS REPORT

Information specified as per Section 217 (1) (e) read with Companies (Disclosure of Particulars in the report of Board of Directors) Rules 1988 and forming part of the Directors Report for the year ended on 31st March 2010.

1. CONSERVATION OF ENERGY:

The Company continues to lay due emphasis on conservation of energy and has been taking various measures in controlling of energy consumption.

Form - A

A) POWER AND FUEL CONSUMPTION:

| | Current Year | Previous Year |
|--|-----------------|------------------|
| 1. Electricity | | |
| a. Purchased: Units (Nos.) | 110850 | 286760 |
| Total Amount (Rs.) | 1071337 | 1698764 |
| Rate/Unit (Rs.) | 9.66 | 6.02 |
| b. Own Generation: | | |
| i) Through diesel generator - Units (Nos.) | NIL | 11075 |
| Unit per Ltr. Diesel (Nos.) | NIL | 3.33 |
| Cost/Unit (Rs.) | NIL | 11.07 |
| ii) Through steam turbine/generator | NIL | NIL |
| 2. Coal (Specify quantity and where used) : | | |
| Quantity (Tonnes) | NIL | NIL |
| Total Cost | | |
| Average Rate | | |
| 3. Furnace Oil: | | |
| Quantity (K.Ltrs) | NIL | NIL |
| Total Amount | | |
| Average rate | | |
| 4. Other/Internal generation : | | |
| Quantity | NIL | NIL |
| Total Cost | | |
| Rate/Unit | | |

B) CONSUMPTION PER UNIT OF PRODUCTION:

Products: Disposable Syringes, Needles and Perfusion Sets

| | | |
|------------------------|----------|------|
| Electricity (Unit/Pcs) | Rs. 0.37 | 0.44 |
| Furnace Oil | NIL | NIL |
| Coal (Specify Qty.) | NIL | NIL |
| Others | NIL | NIL |

Form - B

RESEARCH AND DEVELOPMENT (R&D)

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during last five year

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For & On Behalf of the Board of Directors

Place : Indore
Date : 12.08.2010

M. C. DHANDIA
(CHAIRMAN)

MANAGEMENT DISCUSSION & ANALYSIS

OVERVIEW

The depression in the global economic scenario and the reduction in market demand had an adverse effect on manufacturing cycles globally. In such a situation, it was important for manufacturing industries across sectors to look for ways to sustain themselves. Our company took an intelligent and wise decision and forayed into trading activities in order to maintain its market share and continue to stay in competition.

Even during the peak of the Economic meltdown the Indian Economy still withstood the on set of the depression as compared to the other economies of the world. India has continued to show signs of a growing economy. In the health sector, India continues to focus on health awareness and has increased its attention towards the fight against AIDS and other fatal diseases. Creating awareness about medical disposable products has continued to be the one of the primary concerns and thus the Medical Disposable products Industry has registered an increase in the overall demand. It is our constant endeavor to contribute to this awareness drive by making and supplying products according to the need of the market.

PERFORMANCE

The company reported an Operating profit (PBIDT) of Rs. (31.09) Lacs. There has also been renewed focus on quality and customer service to develop long-term relationship with customers. The Company is focusing on Govt. business in line to develop new market in this regard.

DEMATERIALISATIONS

Dematerialization of Company's Shares facility is available with NSDL through our Share Transfer Agent M/s Ankit Consultancy Pvt. Limited.

INTERNAL CONTROL

The Company has an adequate system of Internal Control which enables reliable financial reporting, safeguards assets and encourages adherence to management policies.

The Company also has a system for a speedy compilation of accounts and management information reports to comply with applicable laws and regulations.

The Company has a reasonable budgetary control system. The actual performance is reviewed with reference to budgets monthly by the management.

The Company has a well defined organization structure, authority levels, internal rules and guidelines for conducting business transactions.

OUTLOOK

The company has continued to manufacture and deliver quality products in the market even though the competition from Chinese products has affected the markets at large. Your affiliation with the Company and the strong dealer relationship has played a crucial role in helping the Company face and sustain the negative factors inflicting and affecting the markets.

With the government laying more stress and paying more attention to the quality of health and medical services in the country, it is our responsibility to assist the government in getting maximum results in this sector. Many efforts have been made by the government to tap the full potential and at the same time support the industry by providing financial support and to keep the economy under control by effecting immediate Duty Benefits and changes in the Customs and Import Taxes thus keeping inflation under control.

But despite these efforts the non-availability of stable raw material prices give rise to fluctuating manufacturing costs thus adversely affecting the productivity levels and production cost, particularly in relation to the cheap quality and low-priced products available in the market from China and spurious manufacturers.

CORPORATE GOVERNANCE REPORT

1. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

Transparency, accountability and full disclosure in compliance with law are governing factors at RAAJ MEDISAFE INDIA LIMITED, which is committed to enhance the shareholders value in the long term as its ultimate objective, while contributing to the welfare of the employees, state revenue and public interest. Given below is the requisite information relating to corporate functioning of your company for the purpose of due transparency on this aspect.

2. COMPOSITION OF BOARD

Seven Board meetings were held during the year 2009-10. These meetings were held on 12.04.2009, 05.05.2009, 17.05.2009, 04.06.2009, 28.06.2009, 23.07.2009, 14.08.2009, 27.10.2009 and 25.01.2010.

| S. NO. | NAME OF DIRECTOR | CATEGORY OF DIRECTORSHIP | NO. OF B.O.D. MEETINGS HELD | NO. OF B.O.D. MEETINGS ATTENDED | ATTENDED LAST A.G.M. |
|--------|----------------------------|--------------------------|-----------------------------|---------------------------------|----------------------|
| 1. | Shri Mehar Chand Dhandia | Chairman & Director | 9 | 6 | Yes |
| 2. | Shri Satish Rakyan | Director | 9 | 2 | Yes |
| 3. | Shri Himanshu Sharma | Director | 9 | 9 | Yes |
| 4. | Shri Raju Kumar Jain | Director | 9 | 2 | No |
| 5. | Shri Manoj Dhandia | Director | 9 | 9 | Yes |
| 6. | Shri Sunil Jain | Director | 9 | 4 | Yes |
| 7. | Shri Tara Chand Jain | Director | 8 | 3 | Yes |
| 8. | Shri Manoj-Yadav | Director | 8 | 3 | Yes |
| 9. | Shri Lakhpat Ray Gulgulia* | Director | 1 | 1 | No |
| 10. | Shri Khushal Chand Jain* | Director | 1 | 1 | No |

- * Up to 5th May 2009

As required by the Companies Act, 1956 and Clause 49 of listing agreement, none of the director hold directorship in more than 15 public companies, membership of board committees (Audit/remuneration/investors grievance committees) in excess of 10 and chairmanship of board committees as aforesaid in excess of 5.

3. COMMITTEES OF THE BOARD OF DIRECTORS

(a) AUDIT COMMITTEE

The details of Audit Committee members and meeting held are:

| S.NO. | NAME OF DIRECTORS | MEETINGS HELD | MEETINGS ATTENDED |
|-------|----------------------|---------------|-------------------|
| 1. | Shri Sunil Jain | 4 | 4 |
| 2. | Shri Tara Chand Jain | 4 | 4 |
| 3. | Shri Manoj Yadav | 4 | 4 |

The Audit committee reviews financial reporting system, Internal Control Systems and procedures and ensures compliance with the regulatory guide lines. The committees also monitor the Annual Audit plan and recommends appointment and fix remuneration of external auditors.

(b) COMPENSATION & REMUNERATION COMMITTEE

The Company does not pay any remuneration to any of the directors other than Managing Director. The Remuneration of Managing Director is fixed with the approval of Board of Directors and with the approval of shareholders of Company in the General Meeting.

(c) SHARE TRANSFER & INVESTORS GRIEVANCE COMMITTEE

- a) The committee was constituted to specifically look into the transfer / transmission of shares, issue of duplicate share, all other matters related to shares and redressal shareholders and investor complaint like transfer of shares, non-receipt of dividend, non-receipt of Annual report etc. The Share Transfer & Shareholders Investors Grievance Committee consists of:

| S.NO. | NAME OF DIRECTORS | MEETINGS HELD | MEETINGS ATTENDED |
|-------|-------------------------------|---------------|-------------------|
| 1. | Shri M. C. Dhandia - Chairman | 3 | 3 |
| 2. | Shri M. Dhandia | 3 | 3 |
| 3. | Shri S. Rakyan | 3 | 2 |

b) Mr. P. D. Agrawal is the Compliance Officer.

c) All the complaints received during the year were resolved to the satisfaction of shareholders.

4. GENERAL BODY MEETINGS

The last three Annual General Meetings of the Company were held as under:

| Year | Location | Date | Time |
|-----------|-------------------|------------|------------|
| 2006-2007 | Registered Office | 29-09-2007 | 11.00 a.m. |
| 2007-2008 | Registered Office | 30-09-2008 | 11.00 a.m. |
| 2008-2009 | Registered Office | 30-09-2009 | 11.00 a.m. |

5. DISCLOSURES

A list of transactions with related parties as per Accounting Standard AS 18 is mentioned in Schedule 17 to the Audited Accounts.

6. MEANS OF COMMUNICATION

(a) The Company communicates with its shareholders through its annual reports, quarterly results and by filing of various returns with statutory bodies like Stock Exchanges and the Registrar of Companies.

7. SHAREHOLDERS INFORMATION

(a). Annual General Meeting :

Date & Time : 30-09-2010 at 11.00 A.M.
Venue : 106, Sector III, Industrial Area, Pithampur.

(b). Financial Calendar 2010-11 (Tentative)

Result for the quarter ending 30th June, 2010 : Last week of July 2010.
Result for the quarter ending 30th September, 2010 : Last week of October 2010.
Result for the quarter ending 31st December, 2010 : Last week of January 2011.
Result for the quarter ending 31st March, 2011 : Last week of April 2011.

(c) Book Closure Date : 29th September 2010 to 30th September, 2010

(d) Registered Office: RAAJ MEDISAFE INDIA LIMITED
106, Sector III, Industrial Area,
Pithampur - 454 774
District Dhar, M.P.

(e) Equity Shares Listed : The Stock Exchange, Mumbai
M.P. Stock Exchange, Indore
(Application for delisting of securities of the company
with M. P. Stock Exchange Indore is still pending).

(f) ISIN of NSDL : INE 458H01015

(g) Stock Code : BSE 524502

(h) SHARE TRANSFER

All the share transfer deed are processed quickly and share certificates are posted within 30 days from the date of receipt. Incomplete Shares deeds are returned to the transferees with a request to return the same after rectifying the deficiencies pointed out.

(i) DISTRIBUTION OF SHAREHOLDING AS ON 31-03-2010

| S.No. | No. of Equity Shares Held Nos. | Shareholders | | Amount in Rs. | % |
|-------|--------------------------------|--------------|--------|---------------|--------|
| | | Nos. | % | | |
| 1. | up to 1000 | 4,136 | 47.54 | 4136000 | 8.21 |
| 2. | 1001 - 2000 | 2,398 | 27.56 | 4792600 | 9.51 |
| 3. | 2001 - 3000 | 450 | 5.17 | 1348800 | 2.68 |
| 4. | 3001 - 4000 | 248 | 2.85 | 992000 | 1.97 |
| 5. | 4001 -5000 | 703 | 8.08 | 3514800 | 6.97 |
| 6. | 5001 - 10000 | 449 | 5.16 | 3713200 | 7.37 |
| 7. | 10001 - 20000 | 202 | 2.32 | 3003800 | 5.96 |
| 8. | 20001 - 30000 | 39 | 0.45 | 1021000 | 2.03 |
| 8. | 30001 - 40000 | 13 | 0.15 | 464000 | 0.92 |
| 9. | 40001 - 50000 | 12 | 0.14 | 563000 | 1.12 |
| 10. | 50001 - 100000 | 13 | 0.15 | 1012000 | 2.01 |
| 11. | 100000 Above | 37 | 0.43 | 25838800 | 51.27 |
| | Total | 8700 | 100.00 | 50400000 | 100.00 |

(j) SHAREHOLDING PATTERN AS ON 31-03-2010

| | Category | No. of shares | % |
|-----|---------------------------|---------------|--------|
| (a) | Director & Their Relative | 15,73,480 | 31.22 |
| (b) | Resident Body Corporate | 7,03,900 | 13.97 |
| (c) | N.R.I. | 83,900 | 1.66 |
| (d) | Resident Individuals | 26,78,720 | 53.15 |
| | Total | 50,40,000 | 100.00 |



N. PARIK & ASSOCIATES
Chartered Accountants

"Crystal" IInd Floor, Near Curewell
Hospital, 19/6, New Palasia, INDORE
Tel: 4071193, 2430997, 3914881-82
Fax: 0731-3914883
E-mail: chhaya@nparik.com
www.nparik.com

Nitin Parik F.C.A., C.W.A.
Membership No. 57305

Chhaya Sinha F.C.A.
Membership No. 59453

Arjun S. Panwar F.C.A.
Membership No. 402004

Mahesh Kr. Sharma A.C.A., DISA (ICA)
Membership No. 405395

AUDITORS REPORT

To,
The Shareholders,
M/S RAAJ MEDISAFE INDIA LIMITED

- [1] We have audited the attached Balance Sheet of *M/S RAAJ MEDISAFE INDIA LIMITED* as at *31st March 2010* and the Profit & Loss Account for the year 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 have conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan & 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 & disclosures in the financial statements. An audit also includes assessing the accounting principles used & significant estimates made by management, as well as evaluating the overall financial statements presentation. We believe that our audit provides a reasonable basis for our opinion.
- [3] The Statement on 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 paragraph 4 and 5 of the said order
- (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 accounts as required by law, have been kept by the company so far as appears from our examination of such books;
 - (c) The Balance Sheet and Profit & Loss Account dealt with by this report are in agreement with the books of accounts;
 - (d) In our opinion, the Balance-sheet and Profit & Loss Account dealt with by this report comply with the accounting standards referred to in subsection (3C) of section 211 of the Companies Act, 1956 to the extent applicable;
 - (e) On the basis of written representation received from the directors, we report that none of the directors are disqualified as on 31st March 2010 from being appointed as a director in terms of clause (g) of sub section (1) of section 274 of the Companies Act, 1956;

BHOPAL : 137, 2nd Floor Zone II, Opp. Vikramaditya College, M.P. Nagar, BHOPAL
Tel: 0755-3299867 Fax: 0755-4270612 Cell No. 98264-10260. E-mail: arjun@nparik.com

NEW DELHI : Sunanda Building, 1st Floor, 17/10, Old Rajendra Nagar, NEW DELHI-110060
Tel: 011-45074747. Cell No. 09310101751. E-mail: mahesh@nparik.com

(1) In our opinion and to the best of our information and according to explanations given to us, the said accounts read together with the significant accounting policies and other notes thereon give the information required by the Companies Act, 1956 and in the manner required subject to the notes on account provided in Schedule "18" of the annual accounts 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 2010; and

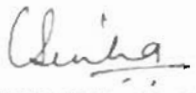
[ii] In the case of Profit & Loss Account, of the profit for the year ended on that date.

[iii] In the case of Cash Flow statement, of the Cash Flow for the year ended on that date.

Place: - INDORE

Dated: - 12/08/2010

For, N.PARIK & ASSOCIATES.
(Chartered Accountants)
(FRN:322877E)


CHHAYA SINHA
(Partner)

ANNEXURE TO THE AUDITORS' REPORT

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

1. In respect of its fixed assets:

- a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- b) As explained to us, all the fixed assets have been physically verified by the management during the year based on a phased programme of verifying all the assets over a period of three years, which in our opinion is reasonable, having regard to the size of the Company and nature of its assets. No material discrepancies were noticed on such physical verification.
- c) As evident from the books of Accounts of the company, the company has not disposed off any Fixed Asset.

2. In respect of its inventories:

- a) The inventories have been physically verified by the management at reasonable intervals during the year and partially at the close of the year.
- b) The procedures of physical verification of inventories followed by the management as explained to us are, in our opinion, reasonable and adequate in relation to the size of the company and the nature of business.
- c) The Company is maintaining proper records of Inventory and no material discrepancies were noticed on physical verification.

3. In respect of loans, secured or unsecured, granted or taken by the Company to/from Companies, firm or other parties covered under section 301 of the Companies Act, 1956:

- a) Company has taken unsecured loan from Director's of the Company, details about no. of such transactions and the maximum amount outstanding are as follows:

| S.No. | Names of Directors | Maximum Outstanding |
|-------|---------------------|---------------------|
| 1. | Manoj Kumar Dhandia | 5650505.00 |
| 2. | M.C. Dhandia | 5363607.00 |

Terms and conditions are not prima facie prejudicial to the interests of the company as concluded from the representations by management and as per our examinations of the books and accounts of the company.

- b) The Company has not granted any unsecured loans to parties covered under section 301 of the companies Act, 1956, however the company has repaid some of the loans taken earlier from those parties.

4. In our opinion and according to the information and explanation given to us, there is an adequate internal control procedure commensurate with the size of the Company and the nature of its business with regard to purchase of inventory and fixed assets and for the sale of goods. During the course of our audit, no major weakness has been noticed in the internal control in respect of these areas.



5.(i) According to the information and explanation given to us, there are no such transactions that need to be entered into the register maintained under section 301.

(ii) In our opinion and according to the information and explanation given to us, the transaction with parties with whom transaction exceeding the value of Rupees Five Lakhs have been entered in to during the financial year, are at prices which are reasonable, having regard to the prevailing market prices at the relevant time.

6. The company during the year has not accepted any deposits from the public.

7. In our opinion, The Company has internal audit system commensurate with the size and nature of its business.

8. We have broadly reviewed the books of account maintained by the company pursuant to the rules made by the Central Government for the maintenance of cost records u/s 209(1)(d) of the companies Act, 1956 and we are of the opinion that prima facie the prescribed accounts have been properly maintained.

9. (i) Undisputed statutory dues including Provident Fund, Income Tax, Sales Tax, Excise Duty, cess have deposited with the appropriate authorities though there has been a delay in payments and some of the dues are still remaining to be paid to the appropriate authorities.

(ii) According to the information and explanation given to us, following undisputed amounts are payable in respect of Sales Tax, Entry Tax, Professional Tax and VAT which were outstanding at the year end for a period of more than six months from the date they became payable.

| Particulars | Amount |
|----------------------|-------------|
| Central Sale Tax Act | 3,18,713.87 |
| Entry Tax | 45,675.00 |
| Professional Tax | 51,064.00 |
| VAT | 19,617.10 |

(iii) According to the records of the Company, the dues outstanding of Sales Tax, Income Tax, Custom Duty, Wealth Tax, Excise Duty, and Cess on account of any dispute are as follows:

| Nature of Status | Nature of Dues | Amount | Forum where dispute is pending |
|-------------------------------------|---|--------------------|---------------------------------|
| Local & Central Sales Tax/Entry Tax | In connection with pending declaration and one prominent issue regarding exemption of needles, Hon'ble High Court has held the issue in Company favour. | | |
| Year 1995-96 | Interest & Penalties | 213000 | Applied for Stay U/S 67 Rule 77 |
| Year 1998-99 | Interest & Penalties | 126807 | After Remand under Reassessment |
| Year 2001-02 | Interest & Penalties | 200145 | After Remand under Reassessment |
| Year 2002-03 | Interest & Penalties | 234880 | After Remand under Reassessment |
| Year 2003-04 | Interest & Penalties | 61496 | After Remand under Reassessment |
| TOTAL | | 8,36,238.00 | |

10. The accumulated losses of the company has exceeded 50% of the net worth of the company. Also, the company has incurred cash losses in the current Financial year.

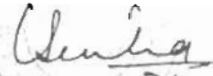
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11. According to the explanation and information given to us, we are of the opinion that the company has not defaulted in repayment of dues to financial institutions, banks.
12. In our opinion and according to the explanations given to us and based on the information available, no loans and advances have been granted by the company on the basis of security by way of pledge of Shares, Debentures or Securities.
13. In our opinion the Company is not a chit fund /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 of paragraph 4 of the order are not applicable to the Company.
14. The company is not trading in Shares, securities, debentures and other investments regularly. The company has not purchased any securities during the Financial Year. However, the company has sold Shares of State Bank of Bikaner and Jaipur held by it and it only holds nominal no. of Equity Shares of State Bank of Bikaner and Jaipur as at year end. All securities sold as well as held was in the name of the company.
15. According to the information & explanation given to us, the Company has not given guarantee for loan taken by others from bank or financial institution.
16. No term Loan has been taken by the company during the Financial Year under review hence the question of its proper applicability does not arise.
17. According to the information & explanation given to us and on all overall examination of the Balance Sheet and Cash Flow statement of the Company, we report that no funds raised on short-term basis have been used for long-term investments and no long-term funds have been used to finance short-term assets.
18. The Company has not made any preferential allotment of shares to parties or companies covered in the register maintained under Section 301 of the Company Act, 1956
19. The Company did neither had any outstanding debenture during the year nor had it issued the same during the year.
20. The Company has not raised any money through public issue during the year.
21. Based upon the audit procedure performed for the purpose of reporting true and fair view of the financial statements and as per the information and explanation by the management, we report that no fraud on or by the Company has been noticed or reported during the course of our audit.

Place: - INDORE

Date: - 12/08/2010

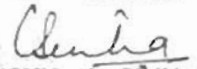
For, N.PARIK & ASSOCIATES
Chartered Accountants
(FRN:322877E)


Chhaya Sinha
(Partner)

RAAJ MEDISAFE INDIA LIMITED (Previously known as Manoj Surgical Industries Ltd.)
 106, Sector III Industrial Area Pitampur
 AUDITED BALANCE SHEET AS AT 31 st March 2010

| | Sche- dule | As at 31-03-10 | As at 31-03-09 |
|--|---------------|----------------------|----------------------|
| I. SOURCE OF FUNDS | | | |
| 1 Shareholder's Funds | | | |
| a) Share Capital | 1 | 49,995,500.00 | 49,995,500.00 |
| b) Reserve and Surplus | 2 | 6,730,746.00 | 6,730,746.00 |
| 2 Loan Funds | 3 | | |
| a) Secured Loans | | 9,815,887.59 | 9,597,231.04 |
| b) Unsecured Loans | | 11,219,355.66 | 16,086,203.66 |
| Total | | <u>77,761,489.25</u> | <u>82,409,680.70</u> |
| II APPLICATION OF FUNDS | | | |
| 1 Fixed Assets | 4 | | |
| a) Gross Block | | 96,731,214.92 | 96,731,214.92 |
| b) Less:-Depreciation | | <u>75,00,972.73</u> | <u>73,158,614.00</u> |
| c) Net Block | | 21,335,831.53 | 23,572,595.00 |
| 2 Investments | 5 | 3,000.00 | 154,200.00 |
| 2 Current Assets, Loans & Advances | 6 | 34,182,972.49 | 56,677,346.72 |
| Less:-Current Liabilities and Provisions | 7 | <u>16,964,659.76</u> | <u>30,204,210.19</u> |
| 3 Net Current Assets | | 17,218,312.73 | 26,473,136.53 |
| Profit & Loss Account | | 39,204,344.70 | 32,209,748.84 |
| Total | | <u>77,761,488.96</u> | <u>82,409,681.37</u> |
| Notes on Accounts | 18 | | |

In terms of our attached report of even date
 N.PARIK & ASSOCIATES
 (Chartered Accountant)
 FRN : 322877E


 (CHHAYA SINHA)
 Partner


 (M.C.DHANDIA)
 CHAIRMAN


 (MANOJ DHANDIA)
 DIRECTOR

Place: Indore
 Date: 12.08/2010

RAAJ MEDISAFE INDIA LIMITED (Previously Known as Manoj Surgical Industries Ltd.)

PROFIT AND LOSS ACCOUNT FOR THE PERIOD ENDED ON 31ST MARCH,2010

| | Sche- dule | As at 31-03-10 | As at 31-03-09 |
|--|---------------|------------------------|------------------------|
| I. INCOME | | | |
| Sales and Other Income | 8 | 10,497,866.29 | 63,530,498.03 |
| Increase (Decrease) in Stocks | 9 | (2,710,310.00) | 961,155.00 |
| Total | | <u>7,787,556.29</u> | <u>64,491,653.03</u> |
| II EXPENDITURE | | | |
| Purchase | 10 | 91,500.00 | 40,645,610.00 |
| Raw material Consumed | 11 | 3,936,004.51 | 5,907,600.99 |
| Payments & Provisions to Employees | 12 | 2,044,495.00 | 4,649,239.00 |
| Manufacturing Expenses | 13 | 2,290,006.10 | 2,642,999.72 |
| Duties and Taxes | 14 | 22,283.00 | 2,423,476.00 |
| Office & Administrative Exp. | 15 | 2,072,137.56 | 1,787,723.07 |
| Selling & Distribution Exp. | 16 | 299,669.17 | 1,274,277.09 |
| Finance Expenses | 17 | 1,643,109.95 | 1,750,897.00 |
| Foreign Exchange Rate | | 140,583.00 | 275,193.00 |
| Total | | <u>12,539,788.29</u> | <u>61,357,015.87</u> |
| Profit (Loss) before Depreciation | | (4,752,232.00) | 3,134,637.16 |
| Depreciation | | <u>2,242,363.86</u> | <u>2,265,970.00</u> |
| Profit (Loss) after Depreciation & before Tax | | (6,994,595.86) | 868,667.16 |
| Current Tax (MAT) | | - | 89,473.00 |
| Fringe Benefit Tax | | - | 15,141.00 |
| Profit (Loss) after Current Tax | | <u>(6,994,595.86)</u> | <u>764,053.16</u> |
| Profit (Loss) carried Forward from earlier years | | <u>(32,209,748.84)</u> | <u>(32,973,802.00)</u> |
| Balance carried forward to Balance Sheet | | <u>(39,204,344.70)</u> | <u>(32,209,748.84)</u> |
| Notes on Accounts | 18 | | |

In terms of our attached report of even date

N.PARIK & ASSOCIATES

(Chartered Accountant)

FRN : 322877E


(CHHAYA SINHA)
Partner


(M.C.DHANDIA)
CHAIRMAN


(MANOJ DHANDIA)
DIRECTOR

Place: Indore

Date: 12/08/2010

**CASH FLOW STATEMENT
FOR THE YEAR ENDED ON 31ST MARCH, 2010**

| | 2009-2010 | 2008-2009 |
|---|-----------------|-----------------|
| A. CASH FLOW FROM OPERATING ACTIVITIES | | |
| Net Profit Before Tax | (6,994,595.86) | 868,667.00 |
| Adjustment for: | | |
| Depreciation | 2,242,363.86 | 2,265,970.00 |
| Interest Income | (9,192.00) | (40,244.00) |
| Dividend from non trade investment | (33,600.00) | (32,500.00) |
| Interest Expenses | 1,643,109.95 | 1,750,897.00 |
| Long Term Capital Gain | (1,207,221.00) | - |
| Operating Profit before working capital changes | (4,359,135.05) | 4,812,790.00 |
| Movement in working capital | | |
| Decrease(Increase) in inventories | 5,568,167.00 | (27,579.00) |
| Decrease(Increase) in sundry debtors | 14,718,180.10 | (23,632,667.00) |
| Decrease(Increase) in other current assets | 257,824.00 | 339,887.00 |
| Decrease(Increase) in loans & advances | 1,820,298.10 | 50,569.00 |
| Increase (Decrease) in current liabilities and provisions | (13,239,550.43) | 17,494,585.00 |
| Cash generated from operations | 4,765,783.72 | (962,314.00) |
| B Cash flow from / (used in) investing activity | | |
| Purchase of Fixed Assets | (5,600.00) | (706,609.00) |
| Proceeds from sale of fixed assets | - | - |
| Purchase of investment | - | - |
| Sale of investment | 1,350,121.00 | - |
| Movement in loans | - | - |
| Dividends received | 33,600.00 | 32,500.00 |
| Interest received | 9,192.00 | 40,244.00 |
| Net cash used in investing activities | 1,395,613.00 | (633,865.00) |
| C Cash flow from/(used in) financing activities | | |
| Increase in share capital | - | - |
| Proceeds from long-term borrowing | - | - |
| Repayment of long-term borrowing | (145,365.05) | (126,466.00) |
| Proceeds from short-term borrowing | 364,021.25 | (299,322.00) |
| Repayment of short-term borrowing | (4,866,848.00) | 3,958,398.00 |
| Interest paid | (1,643,109.95) | (1,750,897.00) |
| Net cash used in financing activities | (6,291,301.75) | 1,781,713.00 |
| Net Increase in Cash and Cash Equivalents | (129,905.03) | 185,534.00 |
| Cash and Cash Equivalents at the beginning of the year | 335,646.00 | 257,726.00 |
| Cash and Cash Equivalents at the closing of the year | 205,740.97 | 443,260.00 |
| Component of cash & cash equivalents | 205,740.97 | 335,646.00 |
| Cash on hand | 151,879.39 | 274,692.00 |
| On current account | 53,861.58 | 60,954.00 |

Note :- Figures in brackets indicates negative figure

Place: Indore
Date: 12/08/2010

(M.C.DHANDIA)
CHAIRMAN

(MANOJ DHANDIA)
DIRECTOR

We have verified the Cash Flow Statement of Manoj Surgical Industries Limited for the year ended on 31st March 2010 and confirm that this has been drawn up based on the Accounts of the Company the year ended on 31st March 2010 audited by us

N.PARIK & ASSOCIATES
Chartered Accountant
FRN : 322877E

(CHHAYA SINHA)
Partner

Place: Indore
Date: 12/08/2010

RAAJ MEDISAFE INDIA LIMITED (Previously Known as Manoj Surgical Industries Ltd.)

SCHEDULE FORMING PART OF BALANCE SHEET AS AT 31ST MARCH, 2010

| | As at 31-03-10 | As at 31-03-09 |
|--|----------------------|----------------------|
| SCHEDULE:1 SHARE CAPITAL | | |
| AUTHORIZED | | |
| 6000000 Equity Shares of Rs.10 each. (Previous year 6000000 Equity Shares of Rs.10 each) | <u>60,000,000.00</u> | <u>60,000,000.00</u> |
| ISSUED, SUBSCRIBED AND PAID UP | | |
| 5040000 Equity Shares of Rs.10 each. (Previous year 5040000 Equity Shares of Rs.10 each) | <u>50,400,000.00</u> | <u>50,400,000.00</u> |
| LESS:-Calls in Arrear | <u>404,500.00</u> | <u>404,500.00</u> |
| | <u>49,995,500.00</u> | <u>49,995,500.00</u> |
| SCHEDULE:2. RESERVE AND SURPLUS | | |
| Capital Reserve | 2,500,000.00 | 2,500,000.00 |
| Investment Allowance Reserve | 4,230,746.00 | 4,230,746.00 |
| Total | <u>6,730,746.00</u> | <u>6,730,746.00</u> |
| SCHEDULE 3: LOAN FUNDS: | | |
| A Secured Loans: | | |
| a) Loans and Advances from Bank | | |
| Cash Credit Loans: | 9,776,271.17 | 9,412,249.57 |
| b) Other Loans and Advances | 39,616.42 | 184,981.47 |
| Total | <u>9,815,887.59</u> | <u>9,597,231.04</u> |
| B Unsecured Loans: | | |
| i) From Directors | 9,049,487.66 | 12,102,487.66 |
| ii) From Members | 2,169,868.00 | 3,709,968.00 |
| iii) From Branch | | 273,748.00 |
| Total | <u>11,219,355.66</u> | <u>16,086,203.66</u> |
| Particulars of Securities: | | |
| Cash Credit | | |
| Cash Credit facilities availed from the Bank is secured by way of hypothecation of the Company's current assets consisting of finished and semi-finished goods, raw materials, consumable stores & spares, etc and further secured by personal guarantee of some of directors of the Company | | |

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For Company Secretary
 R. Balakrishnan
 Director

M. S. Srinivasan

SCHEDULE 4: FIXED ASSETS:

| FIXED ASSETS | GROSS BLOCK: | | | | DEPRECIATION: | | | | NET BLOCK: | |
|--------------------------|--------------|-----------|------------|----------|---------------|-----------|---------|------------|------------|------------|
| | As on | Additions | Deductions | Total as | Up to | For the | Dep | As on | As on | As on |
| | 31-03-2009 | During | During | on | 31-03-2009 | Year | Written | 31-03-2010 | 31-03-2010 | 31-03-2009 |
| 1 LEASEHOLD LAND | 638943 | | | 638943 | | | 0 | 0 | 638943 | 638943 |
| 2 FACTORY BUILDING | 18152167 | | | 18152167 | 7,392,158.66 | 606282 | 0 | 7998441 | 10153726 | 10760008 |
| 3 PLANT & MACHINERY | 53020803 | | | 53020803 | 42,059,013.49 | 1,742,233 | 0 | 43433246 | 9587557 | 10961789 |
| 4 INJECTION MOULDS | 23430975 | | | 23430975 | 23,048,987.21 | 1,57202 | 0 | 23216189 | 214786 | 381988 |
| 5 FURNITURE AND FIXTURES | 267523 | | | 267523 | 239,981.62 | 1,6934 | 0 | 256916 | 10607 | 27541 |
| 6 OFFICE EQUIPMENTS | 763533 | 5600 | | 769133 | 327,113.32 | 36276 | 0 | 363389 | 405744 | 456420 |
| 7 VEHICLES | 457266 | | | 457266 | 91,359.58 | -1437 | 0 | 132797 | 324469 | 365906 |
| Total | 96731209 | 5600 | - | 96736809 | 73,158,613.87 | 2,242,364 | 0 | 75400978 | 21335832 | 23572595 |
| Previous Year | 9570277 | 452823 | 131,000.00 | 96024601 | 68,594,792.00 | 2,312,297 | 14445 | 70897644 | 25131957 | 27107985 |

Ch

M. J. ...
 (Signature)
 (Signature)

AS at
31-03-10AS at
31-03-09

SCHEDULE : 5. INVESTMENTS:

Shares in State Bank of Bikaner & Jaipur
(Equity Share of Rs.100 each, Fully paid up)
N.S.C

151,200.00

3,000.00

3,000.00

3,000.00

154,200.00

SCHEDULE : 6. CURRENT ASSETS,
LOANS & ADVANCES:

A. Current Assets:

I. Inventories (As taken, valued
& certified by management)

15,038,064.00

20,606,231.00

II. Sundry Debtors:

(Unsecured considered good)
Debts outstanding for a period
exceeding six months.

13772141

2094304

Others

3015243

29411260

16,787,383.00

31,595,541.00

III. Cash & Bank Balances:

a) Cash in Hand:

151,879.39

274,692.00

b) Balances with Scheduled Bank:

i) Current Accounts:

53,861.58

60,954.00

ii) Fixed Deposits:

156,303.00

156,303.00

(Pledged as Margin/Security)

B. Loans and Advances:

(Unsecured, considered good)

I. Loans

358,450.00

358,450.00

II. Advances recoverable in
cash or in kind or for value
to be received:

(Breakup I)

1,158,309.82

2,978,607.92

III. Security Deposits:

478,720.80

736,544.80

Grand Total

34,182,972.49

56,677,346.72

CB

Prakash
Mangal

P.S.

31-03-10

31-03-09

SCHEDULE : 7: CURRENT LIABILITIES & PROVISIONS:

A. Current Liabilities:

| | | |
|--|----------------------|----------------------|
| (i) Sundry Creditors (For Goods and Services) | 14,315,077.79 | 25,094,816.00 |
| (ii) Others (Breakup I) | 2,649,581.97 | 5,109,394.19 |
| Total | <u>16,964,659.76</u> | <u>30,204,210.19</u> |

SCHEDULE : 8: SALES AND OTHER INCOME:

| | | |
|--|----------------------|----------------------|
| Sales | 7,967,462.29 | 62,188,313.03 |
| Interest | 9,192.00 | 40,244.00 |
| Commission | | 797,133.00 |
| Dividend | 33,600.00 | |
| Others | 459,336.00 | 504,808.00 |
| Long term capital gain on sale of shares | 1,207,221.00 | |
| Foreign Exchange Rate | 821,055.00 | |
| Total | <u>10,497,866.29</u> | <u>63,530,498.03</u> |

SCHEDULE : 9: INCREASE (DECREASE) IN STOCKS:

| | | |
|-------------------------|-----------------------|---------------------|
| Closing Stock | | |
| Stock of precious Stone | | 2,278,681.00 |
| Finished Goods | 153,982.00 | 185,450.00 |
| Stock in Process | 3,988,321.00 | 4,388,482.00 |
| | <u>4,142,303.00</u> | <u>6,852,613.00</u> |
| LESS: Opening Stock | | |
| Stock of precious Stone | 2,278,681.00 | |
| Finished Goods | 185,450.00 | 1,071,360.00 |
| Stock in Process | 4,388,482.00 | 4,820,098.00 |
| | <u>6,852,613.00</u> | <u>5,891,458.00</u> |
| Increase (Decrease) | <u>(2,710,310.00)</u> | <u>961,155.00</u> |

SCHEDULE : 10: PURCHASES

| | | |
|------------------|------------------|----------------------|
| Trading Purchase | 91,500.00 | 40,645,610.00 |
| | <u>91,500.00</u> | <u>40,645,610.00</u> |

SCHEDULE : 11: RAW MATERIAL CONSUMED:

| | | |
|--------------------|---------------------|---------------------|
| Purchases | 1,888,658.51 | 5,015,236.99 |
| ADD Opening Stock | 12,705,792.00 | 13,598,156.00 |
| LESS Closing Stock | 10,658,446.00 | 12,705,792.00 |
| Total | <u>3,936,004.51</u> | <u>5,907,600.99</u> |

SCHEDULE : 12: Payments and Provisions to Employees:

| | | |
|-----------------------------------|---------------------|---------------------|
| Salaries, Wages & Allowances | 1,972,743.00 | 4,600,914.00 |
| Staff and Labour Welfare Expenses | | 24,025.00 |
| P.F. | 52,871.00 | - |
| E.S.I. | 18,881.00 | - |
| Recruitment Expenses | | 24,300.00 |
| Total | <u>2,044,495.00</u> | <u>4,649,239.00</u> |

G.

P. Sharma

M. J. J.

| | 31-03-2010 | 31-03-09 |
|--|---------------------|---------------------|
| SCHEDULE: 13: Manufacturing Expenses: | | |
| Stores and Spares Consumed | 216,474.22 | 138,550.31 |
| Packing Materials & Other Expenses | 941,304.88 | 525,171.41 |
| Power, Fuel & water | 1,071,337.00 | 1,815,944.00 |
| Repair & Maintenance | 38,699.00 | 163,334.00 |
| DG Set Running & Maint. Exp. | 22,191.00 | |
| Total | 2,290,006.10 | 2,642,999.72 |
| SCHEDULE: 14: Duties and Taxes: | | |
| Duties (Excise) | | 800,087.00 |
| Taxes | 22,283.00 | 1,623,389.00 |
| Total | 22,283.00 | 2,423,476.00 |
| SCHEDULE: 15: Office and Administrative Expenses: | | |
| Plant Running & Maintenance | 112,226.20 | 255,171.07 |
| Directors' Salary & allowances | 257,400.00 | 300,600.00 |
| Telephone and Telex Expenses | 102,916.00 | 121,424.00 |
| Insurance | 73,136.00 | 105,596.00 |
| Traveling | 28,141.00 | 30,113.00 |
| Printing and Stationery | 9,128.00 | 15,884.00 |
| Rent (Including Lease Rent) | 94,756.00 | 174,945.00 |
| Legal, Licence and Fees | 215,200.00 | 312,497.00 |
| Security Expenses | 281,280.00 | 784,535.00 |
| Postage and Telegram Exp. | 9,457.36 | 24,563.00 |
| Auditor's Remuneration: Audit Fees | 40,000.00 | 40,000.00 |
| PF Penalty | 478,619.00 | - |
| Electrical & Water Charges | 123,144.00 | |
| Business Promotion | 9,341.00 | |
| Field Exp. Marketing | 141,598.00 | |
| Others | 95,795.00 | 123,294.00 |
| Total | 2,072,137.56 | 1,787,723.07 |
| SCHEDULE: 16: Selling and Distribution Expenses: | | |
| Discount | 53,876.17 | 151,800.00 |
| Commission and brokerage | 139,424.00 | 182,368.00 |
| Freight & Forwarding Charges | 100,869.00 | 484,602.09 |
| Field Expenses | | 293,680.00 |
| Others | 5,500.00 | 161,827.00 |
| Total | 299,669.17 | 1,274,277.09 |
| SCHEDULE: 17: INTEREST AND FINANCE EXPENSES: | | |
| Interest | | |
| Bank | 1,578,160.95 | 1,689,275.00 |
| Others | 64,949.00 | 61,622.00 |
| Total | 1,643,109.95 | 1,750,897.00 |

Ch

A. D. D. D.

M. S. S. S.

- The Accounts of the company are drawn for the period of 1st April 2009 to 31st March 2010.
- The applicable standards as per Section 211(3C) of The Companies Act, 1956 has been duly followed.
- The Company's Debtors and Creditors are subject to confirmation and reconciliation.
- Cash on-hand has been taken as certified by the management.

Significant accounting policies

- The Accounts of the company are prepared under the historical cost convention and in accordance with applicable accounting standards, except where otherwise stated. Income and expenses are recognized on accrual basis.
- Fixed Assets are stated at cost less depreciation. The company capitalises all cost relating to acquisition and installation of fixed assets.
- Depreciation on Fixed Assets is provided on the basis of straight line method at the rates and in the manner prescribed in Schedule XIV to the Companies Act, 1956.
- Valuation of Inventories
 - Raw Materials are valued at cost or market value whichever is lower.
 - Store, Spares and Packing materials are valued at cost.
 - Work in Process is valued at cost.
 - Finished goods are valued at the lower of cost or market price.
- On account of Loss in Current Year & accumulated carried forward losses of previous years under the Income Tax Act, 1961 and rules made thereunder, no provision for Current Taxation is made for the year.
- Additional information pursuant to Provisions of Part II of Schedule VI to the Companies Act 1956, to the extent relevant.

| Particulars of Capacity | Current Year | | Previous Year | |
|---|--------------|---------|---------------|---------|
| a) Licensed Capacity | 152.00 | Million | 152.00 | Million |
| b) Installed Capacity (as certified by the Management) | 152.00 | Million | 152.00 | Million |
| c) Actual Production | 2.89 | Million | 9.85 | Million |

II Particulars in respect of Production, Trading, Sales and Stock of Finished Goods: (Segment wise)

| Class of Goods | Opening Stock | | Production | Sales | | Closing Stock | |
|--|-----------------|--------------|--------------|-----------------|---------------|-----------------|--------------|
| | Quantity Pcs | Value Rs. | | Quantity Pcs | Value Rs. | Quantity Pcs | Value Rs. |
| Disposable Surgical Products & Trading Pharma Goods | | | | | | | |
| Current Year | 161350 | 185450 | 2,890,755.00 | 2908255 | 5,610,977.00 | 143850 | 153982 |
| Previous Year | 1018780 | 1071360 | 9,849,283.00 | 10706713 | 48,270,780.00 | 161350 | 185450 |
| Trading Goods Stones (Cts) | | | | | | | |
| Current Year | 494830 | 2278681 | - | 494830 | 2,356,485.00 | 0 | 0 |
| Previous Year | 0 | 0 | 1,653,210.00 | 1158380 | 13,917,533.00 | 494830 | 2278681 |

III Raw Material Consumption

| | Current Year | | Previous Year | |
|--------------------|----------------|----------------|---------------------|----------------|
| | Amount | Percentage | Amount | Percentage |
| 1. Imported | 119750 | 3.04% | 712,511.00 | 12.06% |
| 2. Indigenous | 3816255 | 96.96% | 5,195,090.00 | 87.94% |
| Grand Total | 3936005 | 100.00% | 5,907,601.00 | 100.00% |

Q

By *[Signature]*

14-3-2010
[Signature]

The Company has recorded foreign Currency by applying an exchange rate between Indian Currency and foreign Currency at the date of transaction, differences has been

9. In accordance with Accounting Standard (AS)-22 on Accounting for Taxes on Income issued by the Institute of Chartered Accountants of India (ICAI), The Company has deferred Tax Assets. The Company has been reporting a negative income over the last few years. Considering the past trend and in the absence of reasonable certainty that sufficient future taxable income would be available against which deferred Tax Assets would be realized, The Company has decided not to account for deferred Tax Assets. The same is also in accordance with AS-22 issued by ICAI.

9 Payment To Auditor
Audit Fees 40,000.00

- 10 Related Party Disclosures in accordance with AS-18, issued by ICAI,
Transaction with related parties

| Name of related party and nature of Relationship | |
|--|------------------------|
| Name of related Party | Nature of Relationship |
| Smt. Himanshu Sharma | Director |
| Smt. Neera Sharma | Relative of Director |
| Smt. Manoj Kumar Dhandia | Director |
| Smt. M.C. Dhandia | Director |

- 11 Transaction during the year

| Name of related Party | Nature of Transaction | Amount in Rs. |
|--------------------------|---|---------------|
| Smt. Himanshu Sharma | Director's Remuneration including allowances & reimbursement. | 273359 |
| Smt. Neera Sharma | Salary Allowance & reimbursement. | 100000 |
| Smt. Manoj Kumar Dhandia | Loan taken & partly repaid | 1785000 |
| Smt. M.C. Dhandia | Loan taken & partly repaid | 2602000 |


- 12 The provision for Gratuity has been made on accrual basis and the provision for Bonus has been made as per provisions of Payment of Bonus Act, 1965.

- 13 There is no subsidiary company of the company, neither the company has obtained any economic benefits from its activities with the associate, nor did the company entered into any Joint venture with any entity. Hence, the provisions of AS 21, 23 and 27 issued by ICAI are not applicable to the company.

- 14 The Company does not have separate segments that are subject to separate risks and returns. Hence Segment wise reporting pursuant to clause 41 of the listing agreement and AS-17 issued by ICAI is not applicable to the company.

- 15 Previous years figures are regrouped and reconsidered wherever necessary.

In witness of our attached report of even date
N. PARIK & ASSOCIATES

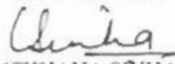



(CHHAYA SINHA)
Partner


(M.C. DHANDIA)
CHAIRMAN


(MANOJ DHANDIA)
DIRECTOR

Place: Indore
Date: 12/08/2010

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL PROFILE

| | | |
|--|--|---|
| Registration NO | 3,039.00 | 3,039.00 |
| State Code | 10.00 | 10.00 |
| Balance Sheet Date | 31.3.2010 | 31.3.2009 |
| II Capital raised during the year | | |
| Public Issue | Nil | Nil |
| Right Issue | Nil | Nil |
| Bonus Issue | Nil | Nil |
| Private Placement | Nil | Nil |
| III Position of Mobilisation and Deployment of Funds | | |
| Total Liabilities | 94,726,149.01 | 112,613,890.89 |
| Total Assets | 94,726,148.72 | 112,613,891.56 |
| Sources of Funds | | |
| Paid up Capital | 49,995,500.00 | 49,995,500.00 |
| Reserve and Surplus | 6,730,746.00 | 6,730,746.00 |
| Secured Loans | 9,815,387.59 | 9,597,231.04 |
| Unsecured Loans | 11,219,355.66 | 16,086,203.66 |
| | 77,761,489.25 | 82,409,680.70 |
| Application of Funds | | |
| Net Fixed Assets | 21,335,831.53 | 23,572,595.00 |
| Investment | 2,000.00 | 154,200.00 |
| Net Current Assets | 17,233,127.33 | 26,473,136.53 |
| Mis. Expenditure | | |
| Accumulated Loss | 39,204,344.99 | 32,209,748.84 |
| | 77,761,489.25 | 82,409,680.37 |
| IV Performance of Company | | |
| Turnover | 10,497,866.29 | 63,530,498.03 |
| Total Expenditure | 17,492,462.15 | 62,661,830.87 |
| Profit/Loss before tax | (6,994,595.86) | 868,667.16 |
| Profit/Loss after tax | (6,994,595.86) | 868,667.16 |
| V General Names of Three Principal Products/Services of Company (As per monetary terms) | | |
| Item Code No | PRODUCT | |
| 901831 | SYRINGES, NEEDLES AND PERFUSION SETS | |
| In terms of our attached report of even date | | |
| N. PARIK & ASSOCIATES | | |
| Chartered Accountant | | |
| FRN : 322877E | | |
|  |  |  |
| (CHHAYA SINHA) | (M.C.DHANDIA) | (MANOJ DHANDIA) |
| Partner | CHAIRMAN | DIRECTOR |
| Place: Indore | | |
| Date: 12/08/2010 | | |