

Ingit Modi Associates

Chartered Accountants

103, Panlee Complex, Opp Sardar Patel Seva Samaj Hall, Navrangpura, Ahmedabad - 9 Ph No. 6460960.

AUDITORS REPORT TO THE MEMBERS OF AESCULAPIUS REMEDIES LIMITED, AHMEDABAD

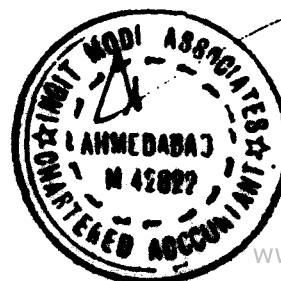
We have audited the attached Balance Sheet of M/s AESCULAPIUS REMEDIES LIMITED, AHMEDABAD as at 31st March 2003 and the annexed Profit and Loss account of the Company together with the schedules for the year ended on that date

As required the Manufacturing and other Companies (Auditor's Report) Order 1988, issued by the Central Government in terms of Section 227(4A) of the Companies Act.

We enclose in the Annexure a Statement on the matters specified in paras 4 of the said order to the extent applicable and based on such checks as are considered appropriate

Further to our comments in the Annexure referred to above:

1. We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of Audit.
2. 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 the Books
3. The Balance Sheet and Profit and Loss Account dealt with by this report are in agreement with the Books of Accounts.



4 In our opinion and to the best of our information and according to the explanations given to us, the accounts read with and subject to note no. 5 for depreciation, note no. 8 for income tax no. 13 for bank reconciliation, note no. 14 for provision of interest and note no. 17 for write off of closing stock of Schedule 16 and other notes on the accounts as per Schedule 16, give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view subject notes below:

1. On the basis of the written representation received from the directors as on **31st March 2003**, and taken on record by the board of directors, we report that none of the directors are disqualified as on **31st March 2003** from being appointed as a director in terms of clause (g) of sub section (1) of section 274 of the Companies Act 1956.

- a) In the case of the Balance Sheet of the state of affairs of the company as at **31st March, 2003** And
- b) In the case of the Profit and Loss Account of the Loss for the year ended on that date.

Date : 25.06.2003
Place : Ahmedabad



For Ingiti Modi Associates
Chartered Accountants


(Ingiti C. Modi)
Proprietor

Ingit Modi Associates

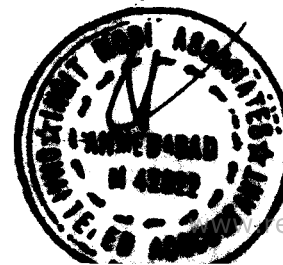
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Ref.No. :

**ANNEXURE TO THE AUDIT REPORT AS REQUIRED BY THE
MANUFACTURING AND OTHER COMPANIES (AUDITORS' REPORT)
ORDER 1988**

- 1 The Company has maintained proper records in respect of fixed assets showing quantitative details and situation of Fixed Assets. We are informed that compiling the fixed assets register is in process. The fixed assets have been physically verified by the management at the time of their purchases. The discrepancy if any, could not be ascertained in absence of records. However evidences for physical verification is not submitted to us.
2. None of the fixed Assets have been revalued during the year.
- 3 As informed to us by the management, the stock of finished goods, semi finished goods, packing materials, stores & spares and raw materials have been physically verified by the management at the year end however evidences to verification is not submitted to us. There is no purchases and sales transaction during the year. Further there is no stock as on 31-03-2003.
4. The procedures of physical verification of stock followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.
5. Register U/S 301 of the companies act, 1956 has been maintained. The Company has taken unsecured loans from Directors and the rate of interest and other terms and conditions of such loans are not prima facie prejudicial to the interest of the Company. The Company has taken any loan. Secured or unsecured from the Companies under the same management as defined under sub-section (1B) of Section 370 of the Companies Act, 1956. The rate of interest and other terms and conditions of such loans are not prima facie prejudicial to the interest of the company.



6. The Company has granted loan, secured or unsecured or unsecured to the Companies under the same Management as defined under sub section 370 of the Companies Act, 1956 without any stipulation as to their repayment, rate of interest are prima facie not prejudicial to the interest of the company.
7. In respect of Loans and Advances given, including to the employees, principal and interest installments are being recovered according to stipulation.
8. In our opinion and according to the information and explanations given to us, there are adequate internal control of its business for the purchase of plant and machinery, equipment and other assets.
9. The company has not purchased stores, materials exceeding Rs. 50000/- in value from a firm in which directors are interested as partner and prices paid are reasonable compared to the prices of similar items purchased from other parties and having regard the prevailing market price. The company has not made such transactions of sale of goods or services
10. The company has accepted deposits from the share holders and directors. No new deposits are accepted during the year. The company has to comply with certain formalities u/s 58-A of Act.
11. The company's operation do not generate byproduct or scrap
12. The Company has an internal audit system conducted by its internal staff but looking to the size and nature of business the same is required to be strengthened.
13. The Company is not required to maintain the Books of Account of cost records under Section 209 (1) (d) of the Companies Act, 1956.
14. According to the information and explanations given to us, there were no undisputed amounts payable in respect of Income Tax, Wealth Tax, Sales Tax, Customs Duty and Excise Duty as at March 31, 1998 which were outstanding for a period of more than six months from the date they become payable. The company is not regular in depositing the amount of provident fund and ESI to appropriate authority.

