

INDEPENDENT AUDITORS' REPORT

To

The Members of IntraSoft Technologies Limited

Report on the Financial Statements

We have audited the accompanying financial statement of **INTRASOFT TECHNOLOGIES LIMITED** ("the Company"), which comprises the Balance sheet as at 31st March, 2014, and the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards notified under the Companies Act, 1956 ("the Act") read with the general circular 15/2013 dated 13th September, 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the 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, 2014 ;
- (ii) In the case of the Statement of Profit & Loss, of the Profit of the Company for the year ended on that date; and
- (iii) In the case of the Cash Flow Statement of the Cash Flows for the year ended on that date.



K. N. GUTGUTIA & CO.CHARTERED ACCOUNTANTS
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KOLKATA-700071**Emphasis of Matter**

Without qualifying our report, we draw attention to Note 2.25 to the financial statements regarding assets written off amounting to ₹ 18,10,86,528/- due to change in technology and adjusted from General Reserve.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by section 227(3) of the Act, we report that
 - a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the 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, Statement of Profit & Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
 - d) In our opinion, the Balance Sheet, Statement of Profit & Loss, and Cash Flow Statement comply with the Accounting Standards notified under the Companies Act, 1956 read with the general circular 15/2013 dated 13th September, 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013.
 - e) On the basis of the written representations received from the Directors as on 31st March, 2014, and taken on record by the Board of Directors, none of the Directors is disqualified as on 31st March, 2014 from being appointed as a Director in terms of Clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956 ;

Place : Kolkata
Date: 29th May, 2014For K. N. GUTGUTIA & CO.
Chartered Accountants
Firm Registration No. 304153EK. C. Sharma
Partner

Membership No. : 50819

ANNEXURE TO THE AUDITOR'S REPORT

(Referred to in point No. 1 of Report on Other Legal and Regulatory Requirements of our Report of even date)

With reference to the Annexure referred to point No. 1 of Report on Other Legal and Regulatory Requirements of the Auditors' Report to the members of **INTRASOFT TECHNOLOGIES LIMITED** on the financial statements for the year ended 31st March, 2014, we report that ;

- i. (a) The Company has maintained proper records showing full particulars including quantitative details and situation of its fixed assets.

(b) Fixed Assets have been physically verified by the management during the year. In our opinion, the frequency of verification of the fixed assets by the management is reasonable having regard to the size of the company and the nature of its assets and no material discrepancies were noticed on such physical verification.

(c) In our opinion and according to the information and explanations given to us, no substantial fixed assets has been disposed off by the company during the year which affect the going concern.
- ii. The Company's nature of operations does not require to hold inventories and as such clause 4(ii) (a) to (c) of the Companies (Auditor's Report) Order, 2003 is not applicable.
- iii. (a) The Company has neither granted nor taken any loans, secured or unsecured to / from Companies, firms or other parties listed in the Register maintained under section 301 of the Companies Act, 1956 and hence clause 4(iii) (b) to (g) of the Companies (Auditor's Report) Order, 2003 is not applicable.
- iv. In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the company and nature of its business with regard to purchase of fixed assets, services and sale of services. During the course of our audit, no major weakness has been noticed in internal control procedures.
- v. The Company has not entered into contracts or arrangements, particulars of which need to be entered into the register maintained Under Section 301 of the Companies Act, 1956.
- vi. The Company has not accepted any deposits from the public.
- vii. The Company has an internal audit system which, in our opinion, is commensurate with its size and nature of its business.
- viii. According to the information and explanations given to us, the Central Government has not prescribed the maintenance of cost records under clause (d) of sub-section (1) of Section 209 of the Companies Act, 1956 in respect of services carried out by the company.
- ix. (a) The Company is regular in depositing undisputed statutory dues including provident fund, investor education and protection fund, employees' state insurance, income tax, sales tax, wealth tax, service tax, customs duty, excise duty, cess and other statutory dues with appropriate authorities, wherever applicable. There is no outstanding statutory dues at the end of the financial year for a period of more than six months from the date they became payable.



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- (b) According to the information and explanations given to us no disputed amount is outstanding in respect of income-tax, sales-tax, wealth-tax, service tax customs duty, excise duty and cess at the end of the financial year.
- x. The Company has neither accumulated losses at the end of the financial year nor it has incurred any cash losses during the financial year and in the financial year immediately preceding such financial year.
- xi. The Company has taken loans from the bank and others against hypothecation of motor cars and mortgage of Land and Building as stated in note No.2.3 and is regular in payment of installments of the same.
- xii. Based on our examination and according to the information and explanations given to us, the company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- xiii. The Company is not a chit fund, nidhi, mutual benefit fund or a society. Accordingly, clause 4(xiii) of the Companies (Auditor's Report) Order, 2003 is not applicable.
- xiv. According to the information and explanations given to us, the company is not dealing or trading in shares, securities, debentures and other investments. Accordingly, clause 4(xiv) of the Companies (Auditor's Report) Order, 2003 is not applicable.
- xv. According to the information and explanations given to us, the company has not given any guarantee for loans taken by others from Banks or Financial Institutions and hence clause 4 (xv) of the Companies (Auditor's report) Order, 2003 is not applicable.
- xvi. In our opinion and according to the information and explanations given to us, term loan has been prima facie applied for the purposes for which the loan was obtained.
- xvii. According to the information and explanations given to us and on an overall examination of the Balance Sheet of the Company, we are of the opinion that the funds raised on short-term basis have not been used for long term investment.
- xviii. The Company has not made any preferential allotment of shares to companies/firms/parties covered in the register maintained under Section 301 of the Companies Act, 1956.
- xix. The Company has not issued any debentures.
- xx. The Company has not raised money by Public Issue during the year.
- xxi. According to the information and explanations given to us, no fraud on or by the company has been noticed or reported during the year.

For **K. N. GUTGUTIA & CO.**
Chartered Accountants
Firm Registration No. 304153E



Place : Kolkata
Date : 29th May, 2014

K. C. Sharma
Partner

Membership No. : 50819