



# SUNIL NAIK & Co.

CHARTERED ACCOUNTANTS

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CA Sunil Naik

B.Com, FCA  
Mob : 9981015515

## AUDITORS' REPORT

CA Sunil Bhati

B.Com, FCA  
Mob : 9893561600

The Members ,  
**Suvi Info- Management (Indore) Pvt. Ltd.,**  
Mumbai

We have audited the attached Balance Sheet of Suvi Info- Management (Indore) Pvt. Ltd. as at 31st March 2013 and the Statement of Profit and Loss 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.

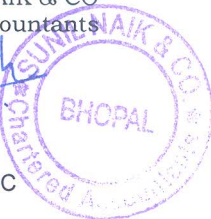
1. We have conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test 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.
2. As required by the Companies (Auditors' Report) Order, 2003 issued by the Central Government of India in terms of section 227 (4A) of the Companies Act 1956, we annex hereto a statement on the matters specified in paragraphs 4 & 5 of the said Order to the extent applicable.
3. Further to our comments in the annexure referred to in paragraph 1 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 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 it appears from our examination of such books;
  - c) The Balance Sheet and Statement of Profit and Loss dealt with by this report are in agreement with the books of accounts ;
  - d) in our opinion , the Balance Sheet and Statement of Profit and Loss comply with the accounting standards referred to in sub section (3C) of the section 211 of the Companies Act,1956 to the extent applicable;
  - e) in our opinion and to the best of our information and according to the explanations given to us, none of the Directors of the company is disqualified from being appointed as director under clause (g ) of sub-section (1) of section 274; and

in our opinion and to the best of our information and according to the explanations given to us the said statement of accounts read with significant accounting policies and notes to the accounts as given in Notes 2.1 give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view :-

- a) In the case of Balance Sheet of the state of affairs of the company as at 31st March,2013.
- b) in the case of Statement of Profit and Loss of the **Loss** for the year ended on that date.

FOR SUNIL NAIK & CO  
Chartered Accountants

  
SUNIL NAIK  
Partner  
M.No. 405269  
F.R.NO.014595C



Place: New Delhi

Dated: 22-5-2013

**ANNEXURE TO THE AUDITORS' REPORT  
(REFERRED TO IN PARAGRAPH (3) OF OUR REPORT OF EVEN DATE)**

1	a	The company is not maintaining proper records showing full particulars, including quantitative details and situation of its fixed assets since Company is not having any tangible asset during the year.
	b	Since the Company is not having any tangible asset the question of physical verification of the same does not arise.
	c	In our opinion and according to the information and explanations given to us, the Company has not disposed off any substantial part of its fixed assets during the year.
2	a	No inventory is kept by the Company hence no verification is carried at reasonable intervals by the management.
	b	Since no physical inventory is kept by the Company, the question of procedures of physical verification of inventory, its reasonability and adequacy followed by the management in relation to the size of the Company and nature of its business does not arise.
	c	Since no physical inventory is kept by the Company the question of maintaining proper records of the inventory and material discrepancy on physical verification of inventory does not arise.
3.	A	The company has granted unsecured interest free loan to its holding company. In respect of the said loan the maximum amount outstanding at any time during the year was Rs.12.75 Crores and the yearend balance was Rs.12.75 Crores, which is a related party covered in the register maintained u/s 301 of the Act.
	b.	In our opinion and according to the information and explanations given to us , the rate of interest and other terms and conditions of loans taken are prima facie not prejudicial to the interest of the company.
	c.	The Loans granted are recoverable on demand.
	d.	The Company has not taken any loans, secured or unsecured from companies, firms or other parties covered in the register maintained under section 301 of the Act.
	e.	Since no loan has been taken by the Company question of prejudicial terms and conditions about the same does not arise.
	f.	Question of payment of principal amount and interest does not arise.
4.		In our opinion and according to the information and explanations given to us , there is an adequate internal control system commensurate with the size of the company and the nature of its business. Further, on the basis of our examination of books and records of the company ,and according to the information and explanations given to us ,we have neither come across nor have been informed of any continuing failure to correct major weaknesses in the aforesaid internal control system.
5.	a.	In our opinion and according to the information and explanations given to us , there is no transaction made in pursuance of contract or arrangements , that needed to be entered in the register maintained under section 301 of the Companies Act , 1956 except the transaction related to the unsecured loan reported in para 3a, above.
	b.	As there are no transactions made in pursuance of such contracts or arrangements , clauses (v)(b) of the Companies (Auditor's Report )Order ,2003 , as amended by the Companies (Auditor's Report ) (Amendment ) Order,2004 is not applicable to the company for the current year.
6.		The company has not accepted deposits from public within the meaning of Sections 58A and 58AA or any other relevant provision of the Act.
7.		The company does not have an internal audit system commensurate with its size and nature of its business.
8.		The Central government has not prescribed the maintenance of cost records under section 209 (1)(d) of the Companies Act, 1956, for any of the products of the company.
9.	A	According to the information and explanations given to us and the records of the company examined by us ,in our opinion, the company has no statutory dues like P.F., ESI, Income Tax, Sales Tax Wealth Tax Custom duty Excise duty, Cess and any other statutory dues with the appropriate authorities.
	B	According to the information and explanations given to us and the records of the company examined by us , there are no cases of non payment of sales tax, income tax, customs duty, wealth tax ,excise duty and Cess , due to any dispute .



10.	The company has not incurred the cash loss for the current year however incurred for the previous year.
11.	According to the records of the company examined by us and the information and explanations given to us, the company has not defaulted in the repayment of dues to the financial institutions or banks.
12.	The company has not granted any loans and advances on the basis of security by way of pledge of shares , debentures and other securities.
13.	The provisions of any special statue applicable to chit fund / nidhi/mutual benefit fund/ societies are not applicable to the company .
14.	In our opinion , the company is not dealing in or trading in shares, securities, debentures and other investments in open market trade.For off market transactions, adequate records have been kept and proper entries have been made reflecting correct ownership and proper nature of the transaction.
15.	The company has given guarantee(s) for loans taken by others from banks or financial institutions. According to the information and explanations given to us, we are of the opinion that the terms and conditions thereof are not prima facie prejudicial to the interest of the Company.
16.	The Company does not have any Term Loan during the year.
17.	On the basis of an overall examination of the Balance Sheet of the company, in our opinion , and according to the information and explanations given to us, there are no funds raised on a short term basis which have been used for long term investment .
18.	The company has not made preferential allotment of shares to parties covered in the register maintained u/s 301 of the Companies Act.
19.	The company has issued unsecured debentures. However no securities has been created therefor.
20.	The company has not raised any money by public issues during the year. The Company has raised money by issuing new shares and seeking loan from body corporate(s).
21.	During the course of our examination of the books and records of the Company , carried out in accordance with the generally accepted accounting practices in India, and according to the information and explanations given to us , we have neither come across any instance of fraud on or by the company , noticed or reported during the year , nor have we been informed of such case by the management.

FOR SUNIL NAIK & CO  
Chartered Accountants

  
SUNIL NAIK

Partner  
M.No. 405269  
F.R.NO.014595C

Place: New Delhi

Dated: 22-5-2013

**Suvi Info Management (Indore) Pvt. Ltd.**

Balance Sheet as at 31 March 2013

Particular	Notes	31-Mar-13	31-Mar-12
		₹ Lacs	₹ Lacs
<b>I. Equity &amp; Liabilities</b>			
(1) <b>Shareholders' Fund</b>			
(a) Share Capital	3	2,001.00	2,001.00
(b) Reserve and Surplus	4	(30,608.40)	(28,092.36)
		<u>(28,607.40)</u>	<u>(26,091.36)</u>
(2) <b>Non-current Liabilities</b>			
(a) Long-term borrowings	5	29,892.79	29,892.79
		<u>29,892.79</u>	<u>29,892.79</u>
(3) <b>Current Liabilities</b>			
(a) Trade payables	6	0.09	0.09
(b) Other current liabilities	6	-	903.24
		<u>0.09</u>	<u>903.33</u>
<b>TOTAL</b>		<u><u>1,285.49</u></u>	<u><u>4,704.77</u></u>
<b>II. Assets</b>			
(1) <b>Non-current Assets</b>			
(a) Fixed Assets			
Tangible Assets		-	-
(b) Non-current Investments	7	3.90	2,523.94
(c) Long-term loans and advances	8	-	-
(d) Other non-current assets	9	-	-
		<u>3.90</u>	<u>2,523.94</u>
(2) <b>Current Assets</b>			
(b) Cash & Bank balances	10	5.37	2,005.30
(c) Short-term loans and advances	8	1,276.22	175.52
		<u>1,281.59</u>	<u>2,180.83</u>
<b>TOTAL</b>		<u><u>1,285.49</u></u>	<u><u>4,704.77</u></u>

Summary of significant accounting policies 2.1  
The accompanying notes are an integral part of the financial statements.

As per our Report of even date attached.

For Sunil Naik & Co.

Firm Registration Number: 014595C

Chartered Accountants

Per Sunil Naik  
Partner

Membership no. : 405269

Place : New Delhi

Date : 22-5-2013

For and on behalf of the Board of Directors  
of Suvi Info Management (Indore) Pvt. Ltd.

  
[Director]

  
[Director]

**Suvi Info Management (Indore) Pvt. Ltd.**  
Statement of Profit and Loss for the year ended 31 March 2013

Particular	Notes	31-Mar-13 ₹ Lacs	31-Mar-12 ₹ Lacs
<b>Continuing Operations</b>			
<b>Income</b>			
I.	Revenue from operations (net)	11	0.52
II.	Other Income	12	0.00
III.	<b>Total Revenue (I)</b>	<u>6.97</u>	<u>0.52</u>
<b>Expenses</b>			
IV.	(a) Share of (profit)/loss from investment	13	28,058.88
	(b) Other expenses	13	22.42
	(c) Exceptional items	14	12.40
	<b>Total Expenses (II)</b>	<u>2,523.01</u>	<u>28,093.70</u>
V.	<b>Earning before Interest, Tax, Depreciation and Amortization (EBITDA) (I)-(II)</b>	<u>(2,516.04)</u>	<u>(28,093.18)</u>
VI.	Depreciation and Amortization expenses	-	-
VII.	Finance Costs	-	-
VII.	<b>Profit/(Loss) before Tax</b>	<u>(2,516.04)</u>	<u>(28,093.18)</u>
IX.	Tax expenses	-	-
X.	<b>Profit/(Loss) for the year from continuing operations</b>	<u>(2,516.04)</u>	<u>(28,093.18)</u>
XI.	<b>Earning per equity share</b>	15	

Earnings per equity share [nominal value of share Rs. 10 (31 March 2012 Rs. 10)]

**Basic**

Computed on the basis of total profit for the year ₹ -12.57 -140.40

**Diluted**

Computed on the basis of total profit for the year ₹ -0.79 -8.81

Summary of significant accounting policies 2.1  
The accompanying notes are an integral part of the financial statements.

As per our Report of even date attached.

**For Sunil Naik & Co.**

Firm Registration Number: 014595C  
Chartered Accountants

Per Sunil Naik  
Partner  
Membership no. : 405269

Place : New Delhi

Date : 22-5-2013

**For and on behalf of the Board of Directors  
of Suvi Info Management (Indore) Pvt. Ltd.**

*Lauayulla*  
[Director]

*[Signature]*  
[Director]

**Suvi Info Management (Indore) Pvt. Ltd.**  
Cash flow statement for the year ended 31 March 2013

Particular	31-Mar-13	31-Mar-12
	₹ Lacs	₹ Lacs
<b>Cash flow from Operating activities</b>		
Profit before tax from current year operation	(2,516.04)	(28,093.18)
<b>profit before tax</b>	<u>(2,516.04)</u>	<u>(28,093.18)</u>
<i>Non cash adjustment to reconcile profit before tax to net cash flows</i>		
Share of Loss on Investment	2,520.04	28,058.88
Miscellaneous Expenditure written-off	-	12.40
Miscellaneous Expenditure Incurred	-	-
Interest income	<u>(6.97)</u>	<u>(0.00)</u>
<i>Operating profit/(loss) before working capital changes</i>	<u>(2.97)</u>	<u>(21.91)</u>
<b>Movement in working capital ;</b>		
Increase/(decrease) in other current liabilities	(903.24)	173.36
Decrease/(Increase) in trade receivables	-	0.98
Decrease/(Increase) in other current assets	<u>(0.70)</u>	<u>-</u>
Cash generated from/(used in) operations	<u>(906.90)</u>	<u>152.43</u>
<b>Net cash flow from/(used in) operating activities (A)</b>	<u><u>(906.90)</u></u>	<u><u>152.43</u></u>
<b>Cash flows from investing activities</b>		
Investment in Subsidiary	-	(5,635.02)
Advance to Subsidiary	(1,100.00)	(175.00)
Proceeds from sale of Investment	-	2,325.00
Interest received	6.97	0.00
<b>Net cash flow from/(used in) investing activities (B)</b>	<u>(1,093.03)</u>	<u>(3,485.02)</u>
<b>Cash flows from financing activities</b>		
Proceeds from issuance of share capital	-	2,000.00
Proceeds from long-term borrowings	-	12,025.00
Repayment of long-term borrowings	-	(8,688.20)
<b>Net cash flow from/(used in) financing activities (C)</b>	<u>-</u>	<u>5,336.80</u>
<b>Net increase/(decrease) in cash and cash equivalents (A+B+C)</b>	<u>(1,999.94)</u>	<u>2,004.21</u>
Cash and cash equivalents at the beginning of the year	2,005.30	1.10
Cash and cash equivalents at the end of the year	5.37	2,005.30
<b>Component of cash and cash equivalents</b>		
Cash on hand	0.00	0.00
With Bank-Current account	5.36	2,005.30
<b>Total Cash and cash equivalents (note-11)</b>	<u>5.37</u>	<u>2,005.30</u>

Summary of significant accounting policies 2.1  
The accompanying notes are an integral part of the financial statements.

As per our Report of even date attached.

For Sunil Naik & Co.  
Firm Registration Number: 014595C  
Chartered Accountants

Per Sunil Naik  
Partner  
Membership no. : 405269

Place : New Delhi

Date : 22-5-2013

For and on behalf of the Board of Directors  
of Suvi Info Management (Indore) Pvt. Ltd.

*Laxmanpalla*

[Director]

*[Signature]*

[Director]

## Notes to the financial statements for the year ended 31<sup>st</sup> March 2013

### **1. Corporate Information**

SUVI is a software development company and the main business of the Company is to carry out all business activities in computer and software development involving innovative technology solutions so as bring in efficiencies and empower the clients with the most advanced technologies to ensure optimal ROI. The Company is also engaged into some investment activities related with media operations.

### **2. Basis of preparation**

The financial statements of the Company have been prepared in accordance with generally accepted accounting principles in India (India GAAP). The Company has prepared these financial statements to comply in all material respects with the accounting standards notified under the Companies (Accounting Standards) Rules 2006, (as amended) and the relevant provisions of the Companies Act, 1956. The financial statements have been prepared on accrual basis and under the historical cost convention.

The accounting policies adopted in the preparation of financial statements are consistent with those of previous year.

#### **2.1 Summary of Significant accounting policies**

##### **a) Presentation and disclosure of financial statements under new formats:**

For preparation and presentation of its financial statements in relation to the year ended 31<sup>st</sup> March 2013, the revised schedule VI notified under the companies Act 1956 has become applicable and as such the financials statements of the Company have accordingly been prepared.

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Schedule VI to the Companies Act, 1956. The Company has ascertained its operating cycle as 12 months for the purpose of current – noncurrent classification of assets and liabilities insofar it relates the nature of the Company's business.





### **g) Investments**

Investments, which are readily realizable and intended to be held for not more than one year from the date on which such investments are made, are classified as current investments. All other investments are classified as long-term investments.

All investments are usually measured at cost.

Current investments are carried in the financial statements at lower of the cost and fair value determined in on an individual investment basis. Long term investments are carried at cost. However, provision for diminution in value is made to recognize a decline other than temporary in the value of the Investments. In context of the financial statements prepared for the year ended on 31<sup>st</sup> March, 2013, this diminution has been recognized in the period under reporting on account of the conversion of the investee company from Private Limited to Limited, and concomitantly the Company becoming a deemed Limited company.

On disposal of an investment, the difference between its carrying amount and net disposal proceeds is charged or credited to the statement of profit and loss.

### **h) Inventories**

Raw materials, components, stores and spares are valued at lower of cost and net realizable value. Cost of newsprint and cost of stores and spares is determined on first in first out basis.

Net realizable value is the estimated selling price in the ordinary course of the business, less estimated costs of the completion and estimated cost necessary to make the sale.

### **i) Revenue recognition**

Revenues are recognized to the extent that it is probable that economic benefit will flow to the Company and revenue can be reliably measured. It is accounted for net of trade discounts.

Specifically the following bases are adopted in respect of various sources of revenues of the Company:

#### **Software development:**

Company developed software and sold it and also offers the post sales services.



