

INUVA INFO MANAGEMENT PRIVATE LIMITED

---

**DIRECTORS' REPORT**

Report on the Audited Statement of Accounts and performance of the entity for the year ended 31<sup>st</sup> December, 2013.

***Financial Results***

The performance of the Company for the year ended December 31, 2013 is summarized below:

Particulars	December 31, 2013 (Rs.'000)	December 31, 2012 (Rs.'000)
Turnover	Nil	Nil
Other Income	267	245
Total Income	267	245
Total Expenditure (excluding depreciation)	298	423
Depreciation	0	0
Total Expenditure	298	423
<b>Profit/(Loss) Before Tax</b>	<b>(31)</b>	<b>(178)</b>
Less: Current Tax	0	0
Less: Deferred taxes	0	0
<b>Profit/(Loss) for the year</b>	<b>(31)</b>	<b>(178)</b>

***Business Operation:***

There was no business operation during the year.

***Directors:***

Mr. Shailendra Gupta, Mr. Amit Kothiyal and Mr. Souren Sarkar are the Current Directors.

Mr. Amit Kothiyal was inducted as an additional director on 14th November, 2013. The Board has received notices with regards to the appointment of Mr. Amit Kothiyal as the Director of the Company and it is proposed to appoint him at the ensuing Annual general meeting of the Company.

Mr. Shailendra Gupta will retire in the ensuing AGM and being eligible he offers himself for re-appointment. The Board of Directors recommends his re-appointment.

Mr. Anil Kumar Agarwal resignation was accepted by the Board with effective 14th November, 2013. The Board of Directors place on records their sincere appreciation and gratitude for the services tendered by Mr. Anil Kumar Agarwal during his tenure in the office.

## INUVA INFO MANAGEMENT PRIVATE LIMITED

---

*With respect to the Auditors remarks in clause 2(e) of the Auditors report, during the Audit, Mr. Souren Sarkar has not provided the declaration as required under Section 274(1)(g) of the Companies Act, 1956. The Board of Directors persists to get the required declaration from the Director and also will undertake all necessary actions as may be required to Comply with the relevant provisions of the Companies Act, 1956 and the amended Companies Act, 2013 and its rules thereof.*

### *Dividend*

Directors are not proposing any dividend for this year.

### *Share Capital*

There was no change in the share capital during the current year.

### *Directors' Responsibility Statement*

Pursuant to Section 217(2AA) of the Companies Act, 1956, with respect to Directors' Responsibility Statement, the Directors, hereby confirm that:

1. in the preparation of the annual accounts, the accounting standards have been followed and that there are no material departures;
2. they have, in selection of accounting policies consulted the Statutory Auditors and have applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at December 31, 2013 and of the loss of the Company for the year ended on that date;
3. they have taken proper and sufficient care, to their best of knowledge and ability, for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956, for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities;
4. they have prepared the annual accounts of the Company on a going concern basis;

### *Auditors*

M/s. Ray and Ray, Chartered Accountants, Statutory Auditors of the Company, retires at the conclusion of the ensuing Annual General Meeting. In the best interest of the Company and as a good Corporate Governance measure, the Board of Directors decided to peruse and consider Auditors rotation in the forthcoming financial year.

The Board of Directors is evaluating the various proposals received from the Chartered Accountants firms. The Auditors appointment recommendation will be intimated in the notice of the Annual general meeting and put forth for the shareholders approval.

**INUVA INFO MANAGEMENT PRIVATE LIMITED**

---

The Board of Directors wish to place on records their sincere appreciation and gratitude for the services tendered by M/s. Ray and Ray, Chartered Accountants since the inception of the Company.

*Information required to be furnished under Section 217 (1)(e) of the Companies Act*

**A. Conservation of Energy**

Not applicable.

**B. Technology Absorption**

Not applicable.

**C. Foreign Exchange Earnings and Outgo**

	<i>in Rupees (000's)</i>	
	31 <sup>st</sup> December 2013	31 <sup>st</sup> December, 2012
(i) Total Foreign currency earned	Nil	Nil
(ii) Total Foreign Exchange used	NIL	NIL

**Particulars of employees**

Particulars of employees as required under the provisions of Section 217(2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975: Not applicable.

**Fixed Deposits**

Your Company has not accepted any fixed deposits under Section 58A of the Companies Act, 1956 and as such no amount of principal or interest was outstanding as of the balance sheet date.

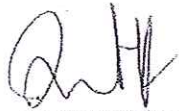
INUVA INFO MANAGEMENT PRIVATE LIMITED

---

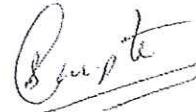
*Acknowledgements*

Your Directors thank the Stakeholders for their continued support.

*For and on behalf of the Board of Directors,*



**Amit Kothiyal**  
*Director*



**Shailendra Gupta**  
*Director*

Date: May 08, 2014  
Place: Bangalore



## **INDEPENDENT AUDITOR'S REPORT**

To the Members of M/s.Inuva Info Management Private Limited.

### **Report on the Financial Statements**

We have audited the accompanying financial statements of M/s.Inuva Info Management Private Limited ("the Company"), which comprise the Balance Sheet as at December 31, 2013, and the Statement of Profit and Loss for the year then ended, and a summary of significant accounting policies and other explanatory informations.

### **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 referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act"). 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.

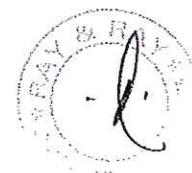
An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or 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. 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 Act 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 December 31, 2013; and
- (b) in the case of the statement of Profit and Loss, of the loss for the year ended on that date



### Emphasis of Matter

We draw attention to Note no.10 to the financial statements which describe the discontinuance of the operations of the company. Consequently, adjustments have been made to reduce the value of assets to their recoverable amount.

### Report on Other Legal and Regulatory Requirements

1 This report does not contain a statement on the matters specified in paragraph 4 and 5 of the Companies (Auditors Report) Order 2003 as amended by the Companies (Auditors Report) (Amendment) Order 2004 (Order) issued by the Central Government in terms of sub-section (4A) of Section 227 of The Companies Act, 1956 of India (the Act) and since in our opinion, the said Order is not applicable to the Company for the current year.

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 purpose of our audit;

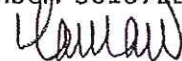
b. in our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;

c. the Balance Sheet, Statement of Profit and Loss, dealt with by this Report are in agreement with the books of account;

d. in our opinion, the Balance Sheet, Statement of Profit and Loss, comply with the Accounting Standards referred to in subsection (3C) of section 211 of the Companies Act, 1956;

e. on the basis of written representations received from two of the three directors as on December 31, 2013, and taken on record by the Board of Directors, two directors are not disqualified as on December 31, 2013, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956. **As we have not received a written representation from the third director, we are unable to report whether the third director is disqualified or not.**

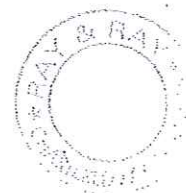
For Ray & Ray  
Chartered Accountants  
Firm's Registration Number: 301072E



V Raman  
Partner

Membership Number: 19839

Place of Signature: Chennai  
Date: May 08, 2014





INUVA INFO MANAGEMENT PRIVATE LIMITED  
Balance Sheet as at 31 December 2013

	Note	As at 31 December 2013	(In Rs) As at 31 December 2012
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholders' funds</b>			
Share capital	2	238,000	238,000
Reserves and surplus	3	3,380,647	3,411,430
		<u>3,618,647</u>	<u>3,649,430</u>
<b>Current liabilities</b>			
Trade payables		-	-
Other current liabilities	4	373,418	344,896
		<u>373,418</u>	<u>344,896</u>
<b>Total</b>		<u><u>3,992,065</u></u>	<u><u>3,994,326</u></u>
<b>ASSETS</b>			
<b>Non-current assets</b>			
Long-term loans and advances	5	352,242	324,788
		<u>352,242</u>	<u>324,788</u>
<b>Current assets</b>			
Cash and bank balances	6	3,098,429	3,346,104
Other current assets	7	541,394	323,434
		<u>3,639,823</u>	<u>3,669,538</u>
<b>Total</b>		<u><u>3,992,065</u></u>	<u><u>3,994,326</u></u>
Significant accounting policies	1		

Notes 1 to 19 form part of the Financial Statements

As per our report of even date attached

for Ray & Ray

Chartered Accountants

Firm's registration number:301072E

*V Raman*  
8/5/14

Partner: V Raman

Membership number: 019839

Place: Chennai



for and on behalf of the Board of Directors of

*[Signature]*  
Director

Place: BANGLORE  
08<sup>th</sup> MAY 2014.

*[Signature]*  
Director

Place: BANGLORE  
08<sup>th</sup> MAY 2014.

INUVA INFO MANAGEMENT PRIVATE LIMITED  
Statement of Profit and Loss for the year ended 31 December 2013

(In Rs)

	Note	For the year ended 31 December 2013	For the year ended 31 December 2012
Other income	8	267,633	245,322
<b>Total Revenue</b>		<b>267,633</b>	<b>245,322</b>
<b>Expenses</b>			
Other expenses	9	298,416	423,023
<b>Total expenses</b>		<b>298,416</b>	<b>423,023</b>
<b>Profit before tax</b>		<b>(30,783)</b>	<b>(177,701)</b>
<b>Profit / (Loss) for the period</b>		<b>(30,783)</b>	<b>(177,701)</b>
Earnings per share	17	(1.29)	(7.47)
Significant accounting policies	1		

The notes referred to above form an integral part of the financial statements

As per our report of even date attached

for Ray & Ray  
Chartered Accountants  
Firm's registration number:301072E

for and on behalf of the Board of Directors of

*V Raman*

8/5/14



Partner: V Raman  
Membership number: 019839

Place: Chennai

*[Signature]*  
Director

Place: BANGLORE  
08th May 2014

*[Signature]*  
Director

Place: BANGLORE  
08th May 2014



NOTES TO THE ACCOUNTS (CONTD.)

Schedule 1 - Accounting Policies and Notes to the Accounts

(I) SIGNIFICANT ACCOUNTING POLICIES

(i) Basis of Accounting

The financial statements are prepared in accordance with all material aspects with the Accounting Standards notified by the Companies (Accounting Standards) (AS) notified under the Companies (Accounting Standards) Rules, 2006 (as amended) and the relevant provisions of the Companies Act, 1956. All income and expenditure having a material bearing on the Financial Statements are recognized on an accrual basis.

The preparation of Financial Statements requires the Management to make estimates and assumptions considered in the reported amounts of Assets and Liabilities (including Contingent Liabilities) as of the date of the Financial Statements and the reported Income and Expenses during the reporting period. The Management believes that the estimates used in the preparation of the Financial Statements are prudent and reasonable.

(ii) Revenue Recognition

Income is recognized on accrual basis. Operation & Maintenance Services is recognized on rendering of services based on agreements with the concerned parties. Fee based income from consultancy assignments taken up for various projects are recognized as and when the specified project progress milestones are achieved. Interest on investments and deposits is recognized on a time proportion basis.

(iii) Taxation

Income Tax expense will comprise of current tax and deferred charge or credit. Current Tax is determined based on the taxable income computed in accordance with the provisions of Income Tax Act, 1961.

Deferred Tax Assets and Liabilities are recognized for the future tax consequences of timing differences between the book profit and tax profit. Deferred Tax Asset is recognized when it is reasonably certain that there will be future taxable income. Deferred tax assets and liabilities are measured using tax rates that have been enacted or substantially enacted as on the balance sheet date. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in the statement of Profit and Loss Account in the year of substantive enactment of the change.

(iv) Operating Leases

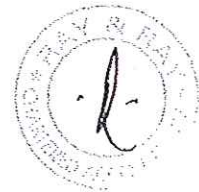
Lease where the lessor effectively retains substantially all the risks and rewards of ownership over the lease term are classified as operating lease. Lease rental income/ expenses in respect of operating leases is recognized in accordance with the Accounting Standard on "Leases" (AS 19)

(v) Cash and Bank Balance

Cash and Bank balance comprise of Cash and Cash Equivalents and Other Bank Balances. Cash and Cash Equivalents comprises of Cash on Hand, Cash at Banks, unencumbered Demand and Term deposits with original maturity of three months or less.

(vi) Provisions

Provisions are recognised when there is present obligation as a result of past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of obligation.



**INUVA INFO MANAGEMENT PRIVATE LIMITED**  
**Notes to financial statements for the year ended 31 December 2013**

**2. Share capital**

Particulars	(In Rs)	
	As at 31 December 2013	As at 31 December 2012
<b>Authorised</b>		
50,000 (previous year: 50,000), equity shares of Rs 10 par value	500,000	500,000
<b>Issued, subscribed and paid up:</b>		
<b>Equity shares</b>		
23,800 (previous year: 23,800) equity shares Rs 10 par value, each fully paid up	238,000	238,000
	<b>238,000</b>	<b>238,000</b>

**Reconciliation of the shares outstanding as at the beginning and at the end of the reporting period**

Particulars	31 December 2013		31 December 2012	
	Number of shares	Amount (in Rs)	Number of shares	Amount (in Rs)
<b>Equity shares</b>				
Shares at the beginning	23,800	238,000	23,800	238,000
Shares at the end	23,800	238,000	23,800	238,000

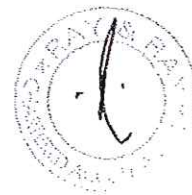
**Terms / rights attached to Equity Shares:**

The company has only one class of equity shares having a par value of Rs.10 per share. Each holder of equity share is entitled to one vote per share. All these shares have the same rights and preferences with respect to payment of dividend.

Repayment of capital in the event of liquidation will be in proportion to the number of equity shares held.

Equity shareholder holding more than 5 percent of equity shares along with the number of equity shares held at the beginning and at the end of the year is as given below:

Particulars	As at 31 December 2013		As at 31 December 2012	
	Number of shares	% of share holding	Number of shares	% of share holding
ISG Novasoft Technologies Limited	16,900	71%	16,900	71%
Soumen Sarkar	6,900	29%	6,900	29%
		100.00%		100.00%



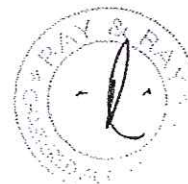
INUVA INFO MANAGEMENT PRIVATE LIMITED  
Notes to financial statements for the year ended 31 December 2013

3. Reserve and surplus

Particulars	(In Rs)	
	As at 31 December 2013	As at 31 December 2012
General reserve		
At the commencement of the year	6,724,533	6,724,533
Add/(Less): Surplus/(Deficit) on account of amalgamation	-	-
Balance at the end of the year	<u>6,724,533</u>	<u>6,724,533</u>
Capital Redemption Reserve		
At the commencement of the year	31,000	31,000
Balance at the end of the year	<u>31,000</u>	<u>31,000</u>
Surplus (Profit and Loss balance)		
Opening balance	(3,344,103)	(3,166,403)
Add: Net loss after tax transferred from Statement of Profit and Loss	<u>(30,783)</u>	<u>(177,700)</u>
	<u>(3,374,886)</u>	<u>(3,344,103)</u>
<b>Total reserves and surplus</b>	<u><b>3,380,647</b></u>	<u><b>3,411,430</b></u>

4. Other current liabilities

Particulars	(In Rs)	
	As at 31 December 2013	As at 31 December 2012
Provision for audit fees	33,399	16,854
Salaries payable	5,681	-
Statutory remittances	693	693
Other	<u>333,645</u>	<u>-</u>
	<u><b>373,418</b></u>	<u><b>17,547</b></u>





INUVA INFO MANAGEMENT PRIVATE LIMITED  
Notes to financial statements for the year ended 31 December 2013

5. Long-term loans and advances

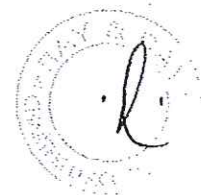
Particulars	(In Rs)	
	As at 31 December 2013	As at 31 December 2012
<b>Unsecured, Considered Good</b>		
Advance income tax	75,875	48,421
Other deposits	276,367	276,367
<b>Unsecured, doubtful</b>		
Gratuity receivable	179,255	179,255
Less: Provision for doubtful advances	(179,255)	(179,255)
	<u>352,242</u>	<u>324,788</u>

6. Cash and bank balances

Particulars	(In Rs)	
	As at 31 December 2013	As at 31 December 2012
<b>Cash and cash equivalents</b>		
Balances with banks		
In current accounts	287,322	534,997
Fixed Deposits	2,520,339	2,520,339
Margin Money	290,768	290,768
	<u>3,098,429</u>	<u>3,346,104</u>

7. Other current assets

Particulars	(In Rs)	
	As at 31 December 2013	As at 31 December 2012
Interest accrued	541,394	323,433
	<u>541,394</u>	<u>323,433</u>



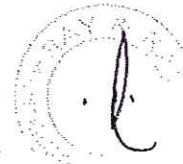
INUVA INFO MANAGEMENT PRIVATE LIMITED  
Notes to financial statements for the year ended 31 December 2013

8. Other income

Particulars	(In Rs)	
	For the year ended 31 December 2013	For the year ended 31 December 2012
Interest income from fixed deposits	267,633	245,322
	<u>267,633</u>	<u>245,322</u>

9. Other expense

Particulars	(In Rs)	
	For the year ended 31 December 2013	For the year ended 31 December 2012
Rates and taxes	4,120	6,230
Traveling and conveyance	6,446	23,369
Rent	210,450	197,314
Auditors Remuneration	28,090	16,854
Provision for doubtful advances	-	179,255
Miscellaneous expenses	49,310	-
	<u>298,416</u>	<u>423,022</u>

A circular stamp with a signature inside, located in the bottom right corner of the page. The stamp is partially obscured by the signature.

**INUYA INFO MANAGEMENT PRIVATE LIMITED**  
**Notes to financial statements for the year ended 31 December 2013**

10. As a restructuring process, the management of ISG Novasoft Technologies limited, the holding company has closed the operations of the company effective 1st January 2011.

11. Contingent liabilities not provided

- a. Demand of sales tax and purchase tax against which the company has preferred appeal Rs.34,000 (Previous Year- Rs 34,000)  
b. Income tax Appeal against Income tax Assessment order for AY 2009-10 .- Rs.5,00,110 (Previous year - Rs. Rs.5,00,110)

12. Fixed deposit lodged with Citibank for obtaining Bank Guarantee - Rs 290,768/- (Previous Year Rs.290,768/-)

**13. Employee Benefits**

The company has no employees in its roles as at the end of the year under reference and hence, there are no employee costs or employees benefits provided. Investments in plan assets together with interest receivable there on is estimated at Rs. 7,57,460. In the absence of actuarial valuation or a certificate from fund administrator the fund has not been recognized as receivable as a measure of prudence.

**14. Auditors Remuneration**

Particulars	Year ended	Year ended
	31.12.2013	31.12.2012
	Rs	Rs
- For Statutory Audit	25,000	10,000
- For Tax Audit	0	5,000
- For Reimbursements Expenses		
- For other Services		
- For Service Tax	3,090	1,854
<b>TOTAL</b>	<b>28,090</b>	<b>16,854</b>

**15. Current Tax**

Provision for taxation is not made due to book loss for the current as well as previous year.

**16. Related Party Disclosure:**

As per the Accounting Standard on 'Related Party Disclosure' (AS-18) the related parties are as follows:

<b>1 INVESTING PARTIES</b>
- ISG NOVASOFT TECHNOLOGIES LIMITED
<b>2 AFFILIATIES - DIRECT</b>
- NIL
<b>3 FELLOW SUBSIDIARIES</b>
- ISGN Solutions Inc
<b>4 KEY MANAGEMENT PERSONNEL</b>
- Shailendra Gupta
- Amit Kothiyal
<b>5 TRANSACTION WITH RELATIVES OF KMP</b>
NIL



Particulars	Fellow Subsidiary	
	ISGN Solutions Inc	
	Year ended	Year ended
	31.12.2013	31.12.2012
Reimbursible expenses incurred by ISGN on behalf of Inuya		
Opening Balance	447,610	220,697
Expenses reimbursed by Inuya to ISG Novasoft Technologies Ltd.	70,918	226,913
Closing Balance (liability)	518,528	447,610



(b) The nature and volume of transactions during the year with the above related parties were as follows

Nature of Transactions	Investing Parties	As at December 31, 2013	As at December 31, 2012
<b>INCOME</b>			
Income from Operations	Nil	Nil	Nil
Consultancy & Other Income	Nil	Nil	Nil
Interest Income	Nil	Nil	Nil
<b>EXPENSES</b>			
Interest & finance Charges	Nil	Nil	Nil
Expenses reimbursed by Inuva to ISG Novasoft Technologies Ltd.	70,918	70,918	226,913

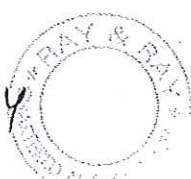
17. Earnings per Equity share:	As at 31.12.2013	As at 31.12.2012
Profit Computation for Basic earnings per equity share of Rs 10 each		
Net Profit/(loss) as per Profit & Loss Account	(30,783)	(177,700)
Weighted Average no. of Equity Shares outstanding	23,800	23,800
Basic earnings per Equity Share (in Rs) of face value of Rs 10	(1.29)	(7.47)

18. As at December 31, 2013 there are no amounts including interest payable to Micro, Small and Medium enterprises as defined under Small and Medium Enterprises Development Act, 2006, based on the information available with the Company.

19. Previous year figures have been regrouped/ recast wherever necessary

for Ray & Ray  
Chartered Accountants  
Firm's registration number: 301072E

*V Raman*  
8/5/14



Partner: V Raman  
Membership number: 019839

Place: Chennai

for and on behalf of the Board of Directors of

*[Signature]*  
Director

*[Signature]*  
Director

Place:  
BANGLORE  
8<sup>th</sup> May 2014

Place: BANGLORE  
08<sup>th</sup> May 2014