

**Shankarlal Jain And Associates****Chartered Accountants**

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**AUDITORS' REPORT****TO THE MEMBERS OF INDSOYA LTD**

We have audited the attached Balance Sheet of INDSOYA LTD, as at 31st March, 2008, the Profit and Loss Account and Cash Flow Statement 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.

We 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.

As required by the Companies (Auditor's 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 paragraphs 4 and 5 of the said Order.

Further to our comments in the Annexure referred to above, we report that:

- i) 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;
- ii) 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;
- iii) The Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of;
- iv) In our opinion, the Balance Sheet and Profit and Loss Account and Cash Flow Statement dealt with by this report comply with the accounting standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956;

Contd....2/-



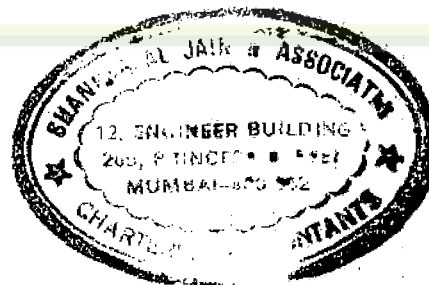
Branch Office : Shopper's Point, 5th Floor, H. B. Road, Fancy Bazar, Guwahati - 781 001, ASSAM,

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- v) On the basis of written representations received from the directors, as on 31<sup>st</sup> March, 2008, and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31<sup>st</sup> March 2008 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.
- vi) In our opinion and to the best of our information and according to the explanation given to us, the said accounts subject to note No.7 in respect non-provision of fall in market value of investments of Rs.1967133/- and read together with other notes thereon given in schedule '8' gives the information required by the Companies Act, 1956, in the matter so required and give a true and fair view in conformity with the accounting principles generally accepted in India;
- a. in the case of Balance Sheet, of the state of affairs of the Company as at 31<sup>st</sup> March, 2008; and
- b. in case of the Profit and Loss Account, of the profit for the year ended on that date.
- c. in case of the Cash Flow Statement, of the cash flow for the year ended on that date

Report

For SHANKARLAL JAIN & ASSOCIATES  
CHARTERED ACCOUNTANTS

S.L. Agrawal  
PARTNER  
M NO 72184

Place : Mumbai

Date : 2/07/2008

**ANNEXURE "A" TO THE AUDITORS' REPORT**

(Referred to in Paragraph 3 of the Auditors' Report of even date to the members of **INDSOYA LTD.** on the financial statements for the year ended 31<sup>st</sup> March 2008)

1. The company has maintained proper records showing full particulars including quantitative details and situation of fixed assets. We are informed that fixed assets were verified by the management at the end of the year and no material discrepancy was noticed on such verification by the management. No assets have been disposed off during the year.
2.
  - a. As informed, the Stock of finished/traded goods of the Company (excepting those lying with third party etc.) have been physically verified by the management during the year, which in our opinion is reasonable.
  - b. According to the information and explanations given to us, the procedures of physical verification of inventories followed by the Company are reasonable and adequate in relation to the size of the Company and the nature of its business.
  - c. The Company is maintaining proper records of inventory and according to the information and explanations given to us, the discrepancies noticed on physical verification were not material and the same have been properly dealt with in the books of account.
3. The company has taken unsecured loans from a company listed in the register maintained under section 301 of the Companies Act, 1956, however the same is squared up during the year. The company has granted unsecured loans to companies listed in the register maintained under section 301 of the Companies Act, 1956. In our opinion terms and conditions on which loan has been granted / taken are not prima facie prejudicial to the interest of the company
4. 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 the nature of its business, for the purchase of goods, securities and for the sale of goods , securities.
5. The company has transactions in pursuance of contracts or arrangements duly entered in the register maintained under section 301 of the Companies Act, 1956 in respect of each party have been made.
6. The company has not accepted deposit from public.
7. According to the information and explanations given to us, there are no undisputed amounts payable in respect of Income-tax, Wealth-tax, Sales Tax, Service tax , Customs

