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OPP. RESERVE BANK OF INDIA,  
ASHRAM ROAD,  
AHMEDABAD-380 009.

November 15, 2011

Review Report to The Board of Directors  
ORG Informatics Limited  
3<sup>rd</sup> Floor, "Abhishek",  
Akshar Chowk,  
Old Padra Road,  
Vadodara 390 020

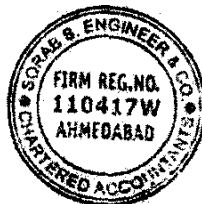
We have reviewed the accompanying statement of unaudited financial results of **ORG Informatics Limited**, for the period of three months ended September 30, 2011 except for the disclosures regarding 'Public Shareholding' and 'Promoter and Promoter Group Shareholding' which have been traced from disclosures made by the management and have not been audited by us. This statement is the responsibility of the Company's Management and has been approved by the Board of Directors. Our responsibility is to issue a report on these financial statements based on our review.

We conducted our review in accordance with the Standard on Review Engagement (SRE) 2400, Engagements to Review Financial Statements issued by the Institute of Chartered Accountants of India. This Standard requires that we plan and perform the review to obtain moderate assurance as to whether the financial statements are free of material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provide less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.

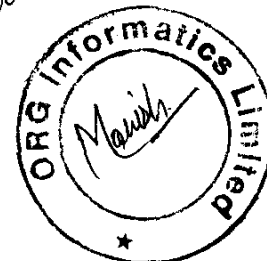
Based on our review conducted as above, with the exception of the matters described in Annexure A attached herewith, nothing has come to our attention that causes us to believe that the accompanying statement of unaudited financial results, prepared in accordance with applicable accounting standards notified pursuant to Companies (Accounting Standards) Rules, 2006 and other recognised accounting practices and policies has not disclosed the information required to be disclosed in terms of Clause 41 of the Listing Agreement including the manner in which it is to be disclosed, or that it contains any material misstatement.

For **Sorab S. Engineer & Co.**  
Firm Registration No. 110417W  
Chartered Accountants

*Chokshi Shreyas B.*  
**CA. Chokshi Shreyas B.**  
Partner  
Membership No. 100892  
Ahmedabad



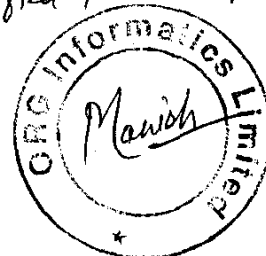
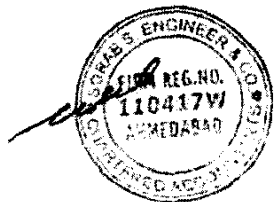
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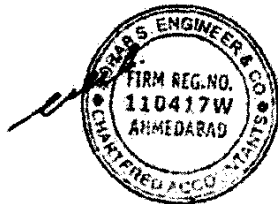
**Annexure A to Limited Review Report for the Quarter ended on 30<sup>th</sup> September, 2011:**

1. *The financial statements have been prepared on going concern basis, despite significant losses suffered during the period/year, substantial contingent liabilities not provided for, legal cases filed by some of the suppliers against the Company and its officials under section 138 of the Negotiable Instruments Act, 1881, restriction imposed on a major customer by court, on vendor's request, from making any payment to the Company, causing severe cash crunch, which had in turn resulted in defaults in payment of statutory liabilities/ non compliance of statutory requirements/ loss of key management personnel / staff and considerable scaling down of operations. The Company's ability to continue as a going concern is dependent upon satisfactory resolution of the above matters besides steps being taken by management to provide / arrange for significant additional funds.*
2. *Attention is invited to the following:*
  - i. *We are unable to opine on the adequacy of provision of Rs. 1,617.00 Lacs for permanent fall in the value of investments in absence of convincing evidence as required in terms of AS -13, Accounting for Investments;*
  - ii. *We are unable to opine on the realisability of non moving stock of Stores and Spares of Rs. 502.86 Lacs not provided as required in term of AS -2 Valuation of Inventories;*
  - iii. *We are unable to opine on recoverability / realisability of old outstanding of Sundry Debtors aggregating to Rs 24,690.93 Lacs;*
  - iv. *Bank balances are subject to reconciliations in absence of Bank statements;*
  - v. *We are unable to opine on recoverability / realisability of old outstanding in respect of advances and tender deposits of Rs. 799.92 Lacs;*
  - vi. *We are unable to comment on the appropriateness of carry forward of the CENVAT recoverable of Rs. 287.96 Lacs;*
  - vii. *In respect of Managerial Remuneration paid during the period and previous years to Managing and Whole time Director of Rs. 15.00 Lacs and Rs. 137.11 Lacs respectively, Shareholders' approval was taken in Annual General Meeting held on 29-12-2009 and 30.9.2010. However, No approval from Central Government is obtained.*
  - viii. *No Provision has been made for :*
    - a. *Impairment loss of Fixed Assets as required in terms of AS-28 Impairment of Assets, amount not ascertained ;*
    - b. *Loans and advances of Rs. 6,552.40 Lacs due from Subsidiary Companies and Associate Company;*

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- c. Invocation of bank guarantees given in respect of various projects undertaken by the Company to the extent of Rs. 2,517.08 Lacs and consequential penalties;
- d. Interest and commission of Rs. 641.45 Lacs, payable, in terms of agreements, to the vendors;
- e. Bank and Other Charges of Rs. 194.70 Lacs paid to one of the vendors;
- f. Implementation, service / warranty charges aggregating to Rs. 305.82 Lacs;
- g. Liquidated Damages / penalty payable to customers for delays in performance / non compliance of some of the contractual Terms and conditions aggregating to Rs. 4,487.36 Lacs;
- h. Interest and Penal charges on bank loans aggregating to Rs. 242.03 Lacs for the current period, Rs. 222.16 Lacs for the quarter ended 30<sup>th</sup> June, 2011 and Rs. 1,028.40 Lacs up to 31<sup>st</sup> March, 2011;
- i. Penalty and other charges which may be imposed by (a) the various Statuary/Regulatory Authorities on account of non compliance of the provisions of the various statutes including none payment of statutory dues and filing of periodic returns. (b) the Court, with respect to the cases filed by the parties against Company's officials (including some past officials) under sections 138 and 143 of the Negotiable Instruments Act, 1881, on account of dishonor of post dated cheques issued to them. Due to uncertainty involved, the impact of the above on the loss for the period is presently unascertainable.



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