



V.NAGARAJAN & CO.,

Chartered Accountants

AUDITORS' REPORT TO THE MEMBERS OF BASIX CONSULTING AND TRAINING SERVICES LIMITED

1. Report on the financial statements

We have audited the accompanying financial statements of **BASIX Consulting and Training Services Limited (the 'Company')**, which comprise the Balance Sheet as at March 31, 2013 and the Statement of Profit and loss and Cash Flow statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

2. 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 and financial performance 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.

3. 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. 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.

4. 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:

- In the case of the Balance Sheet, of the state of the affairs of the Company as at March 31, 2013 and;
- In the case of the statement of Profit and Loss, of the loss for the year ended on that date.
- In the case of the Cash Flow statement, of the cash flows for the year ended on that date.

5. Report on other legal and regulatory requirements

- 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.
- As required by section 227(3) of the Act, we report that:





V. NAGARAJAN & CO.,

Chartered Accountants

- 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 the law have been kept by the Company, so far as appears from our examination of the books maintained at the Head office and all the branches of the Company visited by us and proper returns adequate for the purpose of our audit have been received from branches not visited by us.
- c) The Balance Sheet, Statement of Profit and Loss, and Cash Flow statement dealt with by this report are in agreement with the books of accounts;
- d) In our opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow statement comply with the Accounting Standards referred to in sub section 3(C) of section 211 of the Companies Act, 1956;
- e) On the basis of the written representations received from the directors as on March 31, 2013 and taken on record by the Board of Directors, none of the directors is disqualified as on March 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;

Date: May 04, 2013
Place: Hyderabad



for V. Nagarajan & Co.,
Chartered Accountants


V. Nagarajan
Partner

M. No.: 019959 | ICAI Firm Reg. No.: 04879N



V. NAGARAJAN & CO.,

Chartered Accountants

ANNEXURE TO THE AUDITORS' REPORT OF EVEN DATE TO THE MEMBERS OF BASIX CONSULTING AND TRAINING SERVICES LIMITED ['THE COMPANY']

[Referred to in Paragraph (3) of our report of even date]

Based on the audit procedures performed for the purpose of reporting a true and fair view on the financial statements of the Company and taking into consideration the information and explanations given to us and the books of account and other records examined by us in the normal course of audit, we report that:

- i. In respect of its fixed assets:
 - a) The Company has maintained proper records to show full particulars, including quantitative details and situation of fixed assets.
 - b) Fixed assets have been physically verified by the management during the year and no material discrepancies were identified on such verification.
 - c) In our opinion, no part of fixed assets has been disposed off during the year.
- ii. The Company does not have any inventory. Accordingly the provisions of clause 4(ii) of the order are not applicable.
- iii. The Company has not either granted/availed secured or unsecured loans to/from companies, firms or other parties listed in the register required to be maintain under section 301 of the Companies act, 1956.
- iv. The Company have adequate internal control system commensurate with the size of the Company and the nature of its business, for the purchase of fixed assets and for rendering of services. The activities of the Company do not involve purchase of inventory and the sale of goods. During the course of our audit, no major weakness has been noticed in the internal control system in respect of these areas.
- v. (a) In our opinion, the particulars of all contracts or arrangements that need to be entered into the register maintained under section 301 of the Act have not been entered.
(b) Owing to the unique and specialized nature of the items involved and in the absence of any comparable prices, we are unable to comment as to whether the transactions made in

pursuance of such contracts or arrangements have been made at prevailing market prices at the relevant time.

- vi. The Company has not accepted any deposits from the public within the meaning of sections 58A and 58AA of the Act and the Companies (Acceptance of Deposits) Rules, 1975. Accordingly, the provisions of clause 4 (vi) of the Order are not applicable.
- vii. In our opinion, the Company has an internal audit system commensurate with its size and the nature of its business.
- viii. According to the information and explanations given to us in respect of its Statutory dues:
 - a) The Company is not regular in depositing undisputed statutory dues including provident fund, Income Tax and other material statutory dues with the appropriate authorities during the year except delay in remittance of Service Tax and Professional Tax. The Company is in the process of registration for Employee State Insurance.
 - b) There were no undisputed amounts payable in respect of provident fund, ESI, Income Tax, Service Tax and other material statutory dues in arrears as at March 31, 2013 for a period of more than six months from the date they became payable.
 - c) During the financial year there has been no statutory dues payable on account of pending disputes.
- ix. The Company has not granted any loans or advances on the basis of security by way of pledge of shares, debentures and other securities. Accordingly, the provisions of clause 4 (xii) of the Order are not applicable.
- x. According to the information and explanations given to us, the Company is not dealing or trading in shares, securities, debentures and other investments.





V. NAGARAJAN & CO.,

Chartered Accountants

- xi. In our opinion and according to the information and explanations given to us, The Company has not given any guarantee for loans taken by others from bank or financial institutions.
- xii. According to the information and explanations given to us, during the year covered by our audit report, the Company has not made any preferential allotment of equity shares to parties and companies covered in the register maintained under section 301 of the Companies Act, 1956.
- xiii. The Company has neither issued nor had any outstanding debentures during the year.
- xiv. The Company has not raised any money by public issues during the year.
- xv. Based upon the audit procedure performed and information and explanation given by the management, we report that no fraud on or by the Company has been noticed or reported during the year.
- xvi. The nature of the Company's business/activities during the year is such the clauses (viii), (x), (xi), (xiii), (xvi) and (xvii) of paragraph 4 of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.

Date: May 04, 2013

Place: Hyderabad

for **V. NAGARAJAN & Co.,**
Chartered Accountants




(V. Nagarajan)
Partner

ICAI Firm Reg. No.: 04879N M. No.: 019959

BASIX CONSULTING AND TRAINING SERVICES LIMITED

(All amounts in ₹. except otherwise stated)

BALANCE SHEET AS AT	Notes	31-Mar-13	31-Mar-12
I. EQUITY AND LIABILITIES			
Shareholders' funds			
(a) Share capital	1	12,500,000	12,500,000
(b) Reserves and surplus	2	15,946,126	16,887,594
		<u>28,446,126</u>	<u>29,387,594</u>
Non-current liabilities			
(a) Deferred tax liability (net)	3	2,867,313	2,253,635
(b) Long term provisions	4	16,997	1,267,443
		<u>2,884,310</u>	<u>3,521,078</u>
Current liabilities			
(a) Trade Payable	5	2,643,354	148,694
(b) Other current liabilities	6	8,712,601	27,707,146
		<u>11,355,955</u>	<u>27,855,840</u>
Total		<u>42,686,391</u>	<u>60,764,512</u>
II. ASSETS			
Non-current assets			
(a) Fixed assets	7		
i) Tangible assets		606,526	693,843
ii) Intangible assets		23,498,410	26,453,421
(b) Long term loans and advances	8	4,016,781	2,986,947
		<u>28,121,717</u>	<u>30,134,211</u>
Current assets			
(a) Trade receivables	9	9,395,172	17,860,845
(b) Work-in-progress		1,600,750	426,944
(c) Cash and cash equivalents	10	344,006	1,656,442
(d) Short-term loans and advances	11	3,224,746	10,686,070
		<u>14,564,674</u>	<u>30,630,301</u>
Total		<u>42,686,391</u>	<u>60,764,512</u>

Significant accounting policies

22

The accompanying notes are an integral part of these financial statements

As per our report of even date
for **V. NAGARAJAN & CO.**,
Chartered Accountants

For **BASIX CONSULTING AND TRAINING SERVICES
LIMITED**



(Signature)
(V. Nagarajan)
Partner

ICAI Firm No. 04879N | M. No.: 019959

Date: May 04, 2013
Place: Hyderabad

(Signature)
(Vijay Mahajan)
Chairman

(Signature)
(B.L. Parthasarathy)
Managing Director

(Signature)
(Dr. S. L. Narayana)
Whole time Director

Audited Financial Statements for the year ended March 31, 2013

BASIX CONSULTING AND TRAINING SERVICES LIMITED

(All amounts in ₹. except otherwise stated)

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED		Notes	31-Mar-2013	31-Mar-2012
INCOME				
Revenue from operations		12	55,150,881	75,885,161
Other income		13	1,791,731	132,737
	Total Revenue		56,942,612	76,017,898
EXPENSES				
Employee benefits expense		14	18,624,349	32,119,152
Professional and consultancy expenses			9,221,047	12,413,344
Depreciation and amortization expense		7	3,067,387	3,023,393
Unrecivered Trade Recoverable			3,341,636	10,000
Other operating expenses		15	20,882,383	20,346,216
	Total Expenses		55,136,802	67,912,105
	Profit before exceptional and extraordinary items and tax		1,805,810	8,105,793
Tax expense				
- Current year			334,000	1,500,000
- Previous years			760,548	-
- Deferred tax			613,678	1,050,435
	Profit/(Loss) for the period		97,584	5,555,358
Earning per equity share (EPS) - Rs				
- Basic			(3.21)	18.00
- Diluted			0.19	4.44
Number of shares considered for				
- Basic			250,000	250,000
- Diluted			1,250,000	1,250,000
Significant accounting policies		22		

The accompanying notes are an integral part of these financial statements

As per our report of even date
for **V. NAGARAJAN & CO.,**
Chartered Accountants



(Signature)
(V. Nagarajan)
Partner

ICAI Firm No. 04879N | M. No.: 019959

Date: May 04, 2013

Place: Hyderabad

For **BASIX CONSULTING AND TRAINING SERVICES LIMITED**

(Signature) *(Signature)*
(Vijay Mahajan) **(B.L. Parthasarathy)**
Chairman Managing Director

(Signature)
(Dr. S. L. Narayana)
Whole time Director

BASIX CONSULTING AND TRAINING SERVICES LIMITED*(All amounts in ₹. except otherwise stated)*

CASH FLOW STATEMENT FOR THE YEAR ENDED	31-Mar-13	31-Mar-12
A. Cash flows from operating activities		
Profit/ (loss) before taxation and after prior period items	1,805,810	8,105,793
Adjustments for		
Depreciation and amortization	3,067,387	3,023,393
Loss on sale of Assets	65,555	-
Provision for gratuity	16,997	538,991
Operating profit before working capital changes	4,955,749	11,668,177
Decrease / (Increase) in trade receivables	8,465,673	(15,926,598)
Decrease / (Increase) in other current assets	6,287,518	(5,172,707)
Decrease / (Increase) in Long term loans and advances	(257,847)	(195,000)
Payment of Gratuity	(1,267,443)	(50,000)
(Decrease) / Increase in current liabilities	(16,499,885)	15,049,718
Cash from / (used in) operating activities	1,683,765	5,373,590
Income tax paid	(1,866,537)	(4,735,126)
Net cash from / (used in) operating activities	(182,772)	638,464
B. Cash flows from investing activities		
Purchase of tangible assets	(240,614)	(305,949)
Sale of Assets	150,000	-
Net cash from/ (used) in investing activities	(90,614)	(305,949)
C. Cash flows from financing activities		
Dividend on Equity shares	-	(1,250,000)
Dividend on Preferene shares	(900,000)	(914,795)
Dividend distribution tax	(139,050)	(334,461)
Net cash (used in) / provided by financing activities	(1,039,050)	(2,499,256)
Net change in cash and cash equivalents during the year (A+B+C)	(1,312,436)	(2,166,741)
Cash and cash equivalents at the beginning of the year	1,656,442	3,823,183
Cash and cash equivalents at the end of the period	344,006	1,656,442

The accompanying notes are an integral part of these financial statements

As per our report of even date
for **V. NAGARAJAN & CO.,**
Chartered Accountants



(Signature)
(V. Nagarajan)
Partner

ICAI Firm No. 04879N | M. No.: 019959

Date: May 04, 2013
Place: Hyderabad

For **BASIX CONSULTING AND TRAINING SERVICES LIMITED**

(Signature)
(Vijay Mahajan)
Chairman

(Signature)
(B.L. Parthasarathy)
Managing Director

(Signature)
(Dr. S. L. Narayana)
Whole time Director

Audited Financial Statements for the year ended March 31, 2013

BASIX CONSULTING AND TRAINING SERVICES LIMITED

NOTES FORMING PART OF BALANCE SHEET AND STATEMENT OF PROFIT LOSS FOR THE YEAR ENDED MARCH 31, 2013

(All amounts in R. except otherwise stated)

1) Share capital	31-Mar-13	31-Mar-12
Authorised		
2,500,000 Equity Shares of Rs.10 each	25,000,000	25,000,000
2,500,000 Preference Shares of Rs.10 each	25,000,000	25,000,000
	50,000,000	50,000,000
Equity		
Issued, subscribed and paid-up		
250,000 equity shares of Rs.10 each fully paid-up	2,500,000	2,500,000
Preference Share Capital		
Issued, subscribed and paid-up		
1,000,000, 9% Optionally Cumulative Convertible Preference Shares (OCCPS) of Rs.10 each fully paid-up	10,000,000	10,000,000
Total	12,500,000	12,500,000

a) The details of shareholder(s) holding more than 5% shares as at March 31, 2013 is set out below:

Name of the Shareholder	31-Mar-13	31-Mar-12
i). Equity shares of R. 10 Each		
Bhartiya Samruddhi Investment and Consulting Services Ltd	Number of Shares 238,000 % of holding 95.20%	238,000 95.20%
ii). Preference shares of Rs. 10 Each		
Bhartiya Samruddhi Investment and Consulting Services Ltd	Number of Shares 1,000,000 % of holding 100.00%	1,000,000 100.00%

b) Rights, preferences, restrictions of Equity Share Capital

- (i). The Company has only one class of equity shares and each share is entitled to one vote per share.
- (ii). The equity shares include 200,000 shares issued in the year 2010-11 for consideration other than cash.

c) Rights, preferences, restrictions of Preference Share Capital

- The 9% Optionally Cumulative Convertible Preference Shares (OCCPS) shall be
- (i) eligible for conversion into equity shares before March 25, 2014 or
 - (ii) redemption on or before 20 years from the date of issue.

2) Reserves and surplus

	31-Mar-13	31-Mar-12
General Reserve		
Opening Balance	3,000,000	-
Additions during the year	-	3,000,000
Deductions during the year	-	-
	3,000,000	3,000,000
Securities Premium Reserve		
Opening Balance	8,000,000	8,000,000
Additions during the year	-	-
Deductions during the year	-	-
	8,000,000	8,000,000
Surplus		
Opening Balance	5,887,592	5,831,492
Profit for the year	97,584	5,555,358
Deductions during the year		
Transfer to General Reserve	-	3,000,000
Dividend on		
Equity Share Capital	-	1,250,000
Preference Share Capital	900,000	914,795
Dividend Distribution Tax	139,050	334,461
	4,946,126	5,887,594
Total	15,946,126	16,887,594



Audited Financial Statements for the year ended March 31, 2013

BASIX CONSULTING AND TRAINING SERVICES LIMITED**NOTES FORMING PART OF BALANCE SHEET AND STATEMENT OF PROFIT LOSS FOR THE YEAR ENDED MARCH 31, 2013***(All amounts in ₹. except otherwise stated)*

3) Deferred tax liability (net)	31-Mar-13	31-Mar-12
Opening balance	2,253,635	1,203,200
Add: Provided during the year	613,678	1,050,435
Total	2,867,313	2,253,635

[Arising out of differences in depreciation and amortisation in block of fixed assets and intangible assets as per tax books and financial books]

4) Long Term Provisions	31-Mar-13	31-Mar-12
Employee benefits - Gratuity	16,997	1,267,443
Total	16,997	1,267,443

Employee Benefits

i). The Company has taken a group gratuity policy for its employees with the Life Insurance Corporation of India (LIC). Under this policy the eligible employees are entitled to receive gratuity payments upon their resignation or death in lump sum after deduction of necessary taxes upto a maximum limit of ₹1,000,000, as per the provisions of Payment of Gratuity Act, 1972.

ii). The following table sets out the status of the gratuity plan as required under Accounting Standard (AS) – 15, to the extent made available in Actuarial Valuation provided by Life Insurance Corporation of India. The data regarding change in the Projected Benefit Obligation/ Change in Plan Assets Position is not made available and hence reported upon. However, the obligation by the formation of independent trust with LIC and making the full contribution to the same, the company is absolved of the entire future accruing gratuity obligation, in favor of LIC.

5) Trade Payables	31-Mar-13	31-Mar-12
Consultancy Fees Payable	2,643,354	148,694
Total	2,643,354	148,694

6) Other Current Liabilities	31-Mar-13	31-Mar-12
Consultancy Income received in advance	2,095,205	13,397,198
Statutory liabilities	1,514,710	6,860,230
Expenses Payable		
Payable to Employees	1,952,419	2,824,237
Other Payables	2,250,267	1,584,349
Due to Group Companies	-	876,337
Dividend Payable	900,000	2,164,795
Total	8,712,601	27,707,146

Dues to Micro, Small and Medium Enterprises (MSME)

As per the management assessment, there are no enterprises which have provided goods and services to the Company and which qualify under the definition of micro and small enterprises, as defined under Micro, Small and Medium Enterprises Development Act, 2006 (MSMEDA).

8) Long term loans and advances	31-Mar-13	31-Mar-12
Non current		
Security deposits	502,847	245,000
Advance Tax	7,858,482	5,991,947
Less: Provision for Income Tax liability	4,344,548	3,250,000
Advance Tax, Net	3,513,934	2,741,947
Total	4,016,781	2,986,947



(Handwritten signature)

Audited Financial Statements for the year ended March 31, 2013

BASIX CONSULTING AND TRAINING SERVICES LIMITED

NOTES FORMING PART OF BALANCE SHEET AND STATEMENT OF PROFIT LOSS FOR THE YEAR ENDED MARCH 31, 2013

(All amounts in R. except otherwise stated)

9) Trade receivables	31-Mar-13	31-Mar-12
<i>Outstanding for less than six months</i>		
Unsecured, considered good	6,814,795	14,820,350
Doubtful	-	-
	6,814,795	14,820,350
<i>Outstanding for more than six months</i>		
Unsecured, considered good	2,580,377	3,040,495
Doubtful	-	-
	2,580,377	3,040,495
Total	9,395,172	17,860,845
10) Cash and cash equivalents	31-Mar-13	31-Mar-12
Balances with banks	344,006	1,656,442
Cash on hand	-	-
	344,006	1,656,442
Total	344,006	1,656,442
- Earmarked balances with banks is Nil		
- Balances with banks to the extent held as margin money or security against the borrowings, guarantees, other commitments is Nil.		
11) Short-term receivables and advances	31-Mar-13	31-Mar-12
Receivables and advances to related parties		
- From Holding Company	2,647,953	3,234,672
- From fellow subsidiaries	-	7,049,461
Others		
Prepaid expenses	52,844	209,180
Advances to Staff & Others	523,949	192,757
	3,224,746	10,686,070
Total	3,224,746	10,686,070
12) Revenue from operations	31-Mar-13	31-Mar-12
Sale of Services - Consulting and Others		
a) International Consulting Services	22,613,918	24,568,629
<i>Inclusive Financial Services Development</i>	5,054,134	6,490,554
<i>Information Technology and MIS</i>	2,134,464	7,882,344
<i>Micro Insurance and Social Protection</i>	-	303,245
<i>BASIX Academy for Livelihood and Micro Banking Practice</i>	15,425,320	9,892,486
b) Domestic Consulting Services	30,936,213	50,209,588
<i>Inclusive Financial Services Development</i>	1,526,516	5,119,070
<i>Information Technology and MIS</i>	4,414,915	5,170,753
<i>Micro Insurance and Social Protection</i>	20,323,442	28,334,363
<i>BASIX Academy for Livelihood and Micro Banking Practice</i>	2,006,500	5,433,002
<i>Institution Development and Livelihood Promotion Services</i>	2,664,840	6,152,400
c) Unbilled Consulting Services	1,600,750	1,106,944
	55,150,881	75,885,161
Total	55,150,881	75,885,161
13) Other income	31-Mar-13	31-Mar-12
Interest on fixed deposits	-	34,974
Miscellaneous income	1,791,731	97,763
	1,791,731	132,737
Total	1,791,731	132,737



[Handwritten signature]

Audited Financial Statements for the year ended March 31, 2013

BASIX CONSULTING AND TRAINING SERVICES LIMITED

NOTES FORMING PART OF BALANCE SHEET AND STATEMENT OF PROFIT LOSS FOR THE YEAR ENDED MARCH 31,2013

(All amounts in R. except otherwise stated)

14) Employee benefit expense			
		31-Mar-13	31-Mar-12
Salaries, wages and bonus		17,385,227	30,140,316
Contributions to provident and other funds		1,113,974	1,265,983
Staff welfare expenses		108,151	173,862
Gratuity		16,997	538,991
	Total	18,624,349	32,119,152
15) Other operating expenses			
		31-Mar-13	31-Mar-12
Rent, Rates and Taxes		3,638,522	4,111,910
Traveling Expenses		10,276,459	
Staff	7,636,342		5,297,658
Others	1,823,974		4,942,790
Directors	64,993		
Students	11,908		653,535
Foreign visit	103,206		138,427
Vehicle Hiring Charges	636,036		249,889
Payments to the auditor as			
Audit Fees	200,000		200,000
Tax Audit Fee	-		-
Other services	6,200		4,964
for reimbursement of expenses	80,883	287,083	23,429
Program Related Expenses			
Travelling	1,371,963		-
Boarding	338,457		-
Lodging	551,649		-
Local Conveyance	31,143	2,293,212	-
Office Maintenance		752,194	973,036
Telephone, Telex & Fax		720,513	
Postage, Courier & Telegram		68,546	906,426
Printing & Stationery		805,365	603,867
Electricity & Water Expenses		729,683	475,597
Miscellaneous expenses		364,102	921,309
Meeting Expenses		706,938	421,898
Prepaid - Insurance Charges		239,766	29,610
Net Gain / (Loss) on foreign currency		-	45,055
Preliminary Expenses		-	346,816
	Total	20,882,383	20,346,216
16) Contingent liabilities and capital commitments			
		31-Mar-13	31-Mar-12
a) Contingent liabilities		Nil	Nil
b) Capital commitments		Nil	Nil
17) Earnings per share			
Reconciliation of basic and diluted shares used in computation of earnings per share			
		31-Mar-13	31-Mar-12
Net profit as per profit and loss account		97,584	5,555,358
Weighted average number of shares considered for computation of basic EPS		250,000	250,000
Add: Effect of potential dilutive stock options		1,000,000	1,000,000
Weighted average number of shares considered for computation of diluted EPS		1,250,000	1,250,000
Nominal value per share		10	10




 Audited Financial Statements for the year ended March 31, 2013

BASIX CONSULTING AND TRAINING SERVICES LIMITED

NOTES FORMING PART OF BALANCE SHEET AND STATEMENT OF PROFIT LOSS FOR THE YEAR ENDED MARCH 31, 2013

(All amounts in ₹. except otherwise stated)

18) Related party disclosures

a) Names of related parties and nature of relationship

Names	Nature of relationship
Bhartiya Samruddhi Investment and Consulting Services Ltd	Holding Company
BASIX Krishi Samruddhi Ltd	Fellow Subsidiary
BASIX SUB-K iTransactions Ltd	Fellow Subsidiary
C-TRAN Consulting Ltd	Fellow Subsidiary
Bhartiya Samruddhi Finance Ltd	Fellow Subsidiary
BASIX Academy for Building Lifelong Employability	Associate to Holding Company
Indian Grameen Services	Entity in which Director is interested
The Livelihood School	Entity in which Director is interested
Mr. S.L.Narayana	Key Management Person
Mr. B L Parthasarathy	Key Management Person
Mr. Vijay Mahajan	Key Management Person

b) Nature of transactions

Name of the Related Party	Nature of Transaction	31-Mar-13	31-Mar-12
Bhartiya Samruddhi Investment and Consulting Services Ltd	Other Income-Rental Charges	1,200,000	-
	Management Fees	-	1,413,789.00
	Advance Received	15,000,000	5,000,000.00
	Advance Refunded	16,653,099	-
	Preference Dividend	900,000	914,795
	Consultancy Fee Received	1,350,000	6,858,529
Bhartiya Samruddhi Finance Limited	Consultancy income	533,165	698,013
Indian Grameen Services	Consultancy Charges Paid	100,000	1,771,594
	Rent & Electricity Expenses	1,331,342	1,261,998
	Consultancy income	740,717	-
BASIX Sub-K iTransactions Ltd	Consultancy Exp.	-	4,000,000
	Advance Given	-	2,380,950
BASIX Krishi Samruddhi Ltd	Consultancy income	-	860,000
	Consultancy Exp.	-	1,200,000
The Livelihood School	Other Income	118,000	503,700
Mr. S.L. Narayana	Remuneration	2,168,258	2,292,000
Mr. B L Parthasarathy	Remuneration	1,093,773	4,125,600

19) Earnings and expenditure in foreign currency

	31-Mar-13	31-Mar-12
a) Earnings		
Consulting services	13,989,955	12,880,680
b) Expenditure		
Consultancy charges	-	-
Travelling expenses	3,064,625	603,943

20) Other information required under para 5 (viii) of Part II of Revised Schedule VI of the Companies Act, 1956 - Nil/Not applicable

21) Prior year comparatives

These financial statements have been prepared in accordance with the requirements of the revised Schedule VI, as notified by the Ministry of Corporate Affairs. The previous year figures are regrouped /rearranged to conform to current period presentation.

As per our report of even date
for V. NAGARAJAN & CO.,
Chartered Accountants

Date: May 04, 2013
Place: Hyderabad



(Signature)
(V. Nagarajan)
Partner

MCAI Firm No. 04879N | M. No.: 019959

For BASIX CONSULTING AND TRAINING SERVICES LIMITED

(Signature)
(Vijay Mahajan)
Chairman

(Signature)
(B.L. Parthasarathy)
Managing Director

(Signature)
(Dr. S. L. Narayana)
Whole time Director

Audited Financial Statements for the year ended March 31, 2013

NOTES FORMING PART OF BALANCE SHEET AND STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED MARCH 31, 2013

Note 7: Fixed assets

(All amounts in ₹, unless otherwise stated)

Particulars	Gross block			Depreciation/amortization			Net block		
	As at April 1, 2012	Additions during the Year	Deletions during the Year	As at March, 31 2013	Up to March 31, 2012	Charge for the Year	Deletions during the Year	As at March 31, 2013	As at March 31, 2012
(i) Tangible assets									
Office Equipment	95,869	51,914	78,458	69,325	6,873	9,080	4,179	11,774	88,996
Furniture & Fixtures	187,037	-	106,237	80,800	12,067	10,181	5,067	17,181	174,970
Computers	480,116	188,700	45,686	623,130	50,239	93,115	5,580	137,774	429,877
Sub total	763,022	240,614	230,381	773,255	69,179	112,376	14,826	166,729	693,843
ii) Intangible assets									
Technical know-how, logo usage charges, brand and business commercial rights	29,550,111	-	-	29,550,111	3,096,690	2,955,011	-	6,051,701	26,453,421
Sub total	29,550,111	-	-	29,550,111	3,096,690	2,955,011	-	6,051,701	26,453,421
Total	30,313,133	240,614	230,381	30,323,366	3,165,869	3,067,387	14,826	6,218,430	27,147,264
Previous year	30,007,184	305,949	-	30,313,133	142,475	3,165,869	-	3,165,869	29,864,708

As per our report of even date for V. NAGARAJAN & CO.,

Chartered Accountants



Date: May 04, 2013
Place: Hyderabad

(V. Nagarajan)
Partner

For BASIX CONSULTING AND TRAINING SERVICES LIMITED

(Vijay Mahajan)
Chairman

(B.L. Parthasarathy)
Managing Director

(Dr. S. L. Narayana)
Whole time Director

BASIX CONSULTING AND TRAINING SERVICES LIMITED

SIGNIFICANT ACCOUNTING POLICIES FORMING PART OF BALANCE SHEET AND PROFIT & LOSS ACCOUNT FOR THE YEAR MARCH 31, 2013

1) ACCOUNTING POLICIES:

a) Business Operation:

The company has various business services namely,

- Providing Information Technology solutions including transaction automation for Micro-Finance Institutions and Livelihood Promotion Organizations.
- Providing holistic development consulting and training services NGO-MFIs /CB-MFIs/ APEX organizations including Rural Financial Institutions, which are supporting poor and livelihoods, to help build their capacity on various systems and procedures including governance, operations, funds management, HR, automated Management information systems etc., to transform them into strong organizations capable of managing expansion and scale.
- Identifying potential individuals, including from rural poor and socially disadvantaged communities, training them in building their competencies (knowledge, skill and attitude) and deploy as required by the livelihood sector from time to time, which is known as BASIX Academy for Livelihood and Microfinance Promotion (B-A-LAMP).

b) Basis of preparation of financial statements:

The financial statements are prepared under the historical cost convention and comply in all material aspects with the applicable accounting principles in India, accounting Standards notified under sub-section (3C) of Section 211 of the Companies Act, 1956 and the other relevant provisions of the Companies Act, 1956.

c) Use of Estimates:

The preparation of financial statements in conformity with Indian Generally Accepted Accounting Policies requires management to make certain estimates and assumptions that affect the reported amounts of assets, liabilities and disclosure of contingent assets and liabilities at the date of financial statements and reported amounts of revenue and expenses during the reported period.

Although such estimates are made on a reasonable and prudent basis taking into account all available information, actual results could differ from those estimates.

d) Revenue Recognition:

- In respect of service contracts income is recognized on the basis of proportionate completion of the contract with reference to the stage of performance and corresponding income.
- Interest income on deposits with banks is recognized on time proportion accrual basis taking into the account, the amount outstanding and rate applicable.

e) Fixed Assets:

Fixed assets are stated at cost net of depreciation. The cost of an asset comprises its purchase price (net of capital grants) and any cost directly attributable for bringing the asset to its working condition and location for its intended use.

Fixed Assets includes Intangible Assets for the value of the Business Transfer made from Bhartiya Samruddhi Investments and Consulting Services Limited which will be charged off over four years from the year on which surplus generated.

f) Depreciation:

- Depreciation is provided on the Straight-line method at the following stated rates specified under Schedule XIV of the Companies Act, 1956:

Class of fixed assets	Rate
Furniture & Fixtures	6.33%
Office Equipment	7.07%
Computers & Peripherals	16.21%
Intangible Assets	10.00%

- Depreciation is provided on the pro-rata basis from the date the asset is being put to use.

- In view of the nature business and the enduring nature for exploitation of intangible assets, the same is written off



Audited Financial Statements for the year ended March 31, 2013

[Handwritten signatures]

BASIX CONSULTING AND TRAINING SERVICES LIMITED

SIGNIFICANT ACCOUNTING POLICIES FORMING PART OF BALANCE SHEET AND PROFIT & LOSS ACCOUNT FOR THE YEAR MARCH 31, 2013

over 10 years, with depreciation rate of 10%

g) Employee Benefits:

- i) Short term employee benefits including salaries, social security contributions, short term compensated absences (such as paid annual leave) where the absences are expected to occur within twelve months after the end of the period in which the employees render the related service, profit sharing and bonuses payable within twelve months after the end of the period in which the employees render the related services and non monetary benefits (such as medical care) for current employees are estimated and measured on an undiscounted basis.

ii) Defined Contribution Plan

Company's contributions paid / payable during the year to Provident Fund and Pension fund are recognized in the Profit and Loss Account.

iii) Defined Benefit Plan:

Liabilities for gratuity funded in terms of a scheme administered by the Life Insurance Corporation of India, are determined by Actuarial Valuation on Projected Unit Credit Method made at the end of each financial year. Provision for liabilities pending remittance to the fund is carried in the Balance Sheet.

Actuarial gains and losses are recognized immediately in the statement of Profit and Loss Account as income or expense. Obligation is measured at the present value of estimated future cash flows using a discounted rate that is determined by reference to market yields at the Balance Sheet date on Government bonds.

h) Income Taxes & Deferred Taxes:

Provision for current year tax is made after taking into consideration benefits /disallowances admissible under the provisions of the Income Tax Act, 1961. Current tax is determined as the amount of tax payable in

respect of taxable income for the year. Deferred tax is recognized, on timing difference, being the difference between taxable incomes and accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax assets on unabsorbed depreciation and carried forward business losses, are recognized only if there is virtual certainty that they will be realized and are reviewed every year. The tax effect is calculated on the accumulated timing differences at the end of the year based on enacted or substantially enacted tax rates.

i) Earnings per share:

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

j) Provisions and contingent liabilities:

The Company creates a provision when there is a present obligation as a result of past event that probably requires an outflow of resources and reliable estimate can be made of the amount of obligation. A disclosure of contingent liability is made, when there is a possible obligation or a present obligation that will probably not require outflow of resources or where reliable estimate of the obligation cannot be made.

k) Foreign Currency Transactions:

- i) Initial Recognition: Foreign currency transactions are recorded in the reporting currency by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of transaction.



K. Jayaram

Audited Financial Statements for the year ended March 31, 2013

[Handwritten signatures]

BASIX CONSULTING AND TRAINING SERVICES LIMITED

SIGNIFICANT ACCOUNTING POLICIES FORMING PART OF BALANCE SHEET AND PROFIT & LOSS ACCOUNT FOR THE YEAR MARCH 31, 2013

- ii) Conversion: Foreign currency monetary items are reported using the exchange rate prevailing at the close of the financial year.
- iii) Exchange Difference: Exchange differences arising on the settlement of monetary items, or on reporting monetary items of

the Company at rates different from those at which they were initially recorded during the year, or reported in previous financial statements, are recognized as income or as expenses in the year in which they arise.

As per our report of even date
for **V. Nagarajan & Co.,**
Chartered Accountants

For and on behalf of the Board of Directors of
**BASIX CONSULTING AND TRAINING SERVICES
LIMITED**

May 04, 2013
Hyderabad



(V. Nagarajan)
Partner

ICAI Firm Reg. No.: 04879N | M.No. 019959

(Vijay Mahajan)
Chairman

(B.L. Parthasarathy)
Managing Director

(Dr. S. L. Narayana)
Whole time Director