



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, 2014 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 notified under the Companies Act, 1956 ("the Act") read with the general circular 15/2013 dated 13 September, 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013. 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, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. 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, 2014 and;
- In the case of the statement of Profit and Loss, of the profits 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.





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5. Report on other legal and regulatory requirements

- i. 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.
- ii. 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 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 notified under the Companies Act, 1956 ("the Act") read with the general circular 15/2013 dated 13 September, 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013;
 - e) On the basis of the written representations received from the directors as on March 31, 2014 and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2014 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956;
 - f) Since the Central Government has not issued any notification as to the rate at which the cess is to be paid under section 441A of the Companies Act, 1956 nor has it issued any Rules under the said section, prescribing the manner in which such cess is to be paid, no cess is due and payable by the Company.

Date: June 14, 2014
Place: Hyderabad



for V. Nagarajan & Co.,
Chartered Accountants

V. Nagarajan
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 5(i) 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 for the year ended March 31, 2014 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 has an 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 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. To the best of our knowledge and belief, the Central Government has not prescribed maintenance of cost records under clause (d) of sub-section of Section 209 of the Act, in respect of the services rendered by the Company. Accordingly, the provisions of clause 4 (viii) of the Order are not applicable.
- ix. According to the information and explanations given to us in respect of its Statutory dues:
 - a) *The Company is regular in depositing undisputed statutory dues including provident fund, Income tax and other material statutory dues with the appropriate authorities except certain delays in remittance of Service tax and Professional tax. The Company is in the process of obtaining registration under Employee State Insurance Act.*
 - b) *There were no undisputed amounts payable in respect of provident fund, Income Tax, Service Tax and other material statutory dues in arrears for more than six months as at March 31, 2014.*





V. NAGARAJAN & CO.,

Chartered Accountants

- c) During the financial year there has been no statutory due payable on account of pending disputes.
- x. The Company has been in existence for less than five years. Hence, the provisions of clause (x) of the Order are not applicable.
- xi. The Company has not issued any debentures during the year. The Company has not availed any loan from a bank and financial institution during the year. Accordingly, the provisions of clause 4 (xi) of the Order are not applicable.
- xii. 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.
- xiii. In our opinion, the Company is not a chit fund or nidhi/mutual benefit fund/society. Accordingly, the provisions of clause 4 (xiii) of the Order are not applicable.
- xiv. According to the information and explanations given to us, the Company is not dealing or trading in shares, securities, debentures and other investments.
- xv. 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.
- xvi. The Company has not availed any term loans during the year. Accordingly, the provisions of clause 4 (xvi) of the Order are not applicable.
- xvii. According to the information and explanations given to us, and on an overall examination of the balance sheet of the Company, funds raised on short term basis have, prima facie, not been used during the period for long term investment.
- xviii. According to the information and explanations given to us, during the year covered by our audit report, the Company has made preferential allotment of equity shares to parties and companies covered in the register maintained under section 301 of the Companies Act, 1956. In our opinion, the price at which these shares are issued is not prejudicial to the interest of the company.
- xix. The Company has neither issued nor had any outstanding debentures during the year.
- xx. The Company has not raised any money by public issues during the year.
- xxi. 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.

Date: June 14, 2014

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 Rs. except otherwise stated)

BALANCE SHEET AS ON	Notes	31-Mar-14	31-Mar-13
I. EQUITY AND LIABILITIES			
Shareholders' funds			
(a) Share capital	1	50,00,000	1,25,00,000
(b) Reserves and surplus	2	1,60,51,465	1,59,46,126
		<u>2,10,51,465</u>	<u>2,84,46,126</u>
Non-current liabilities			
(a) Deferred tax liability (net)	3	31,21,952	28,67,313
(b) Long term provisions	4	-	16,997
		<u>31,21,952</u>	<u>28,84,310</u>
Current liabilities			
(a) Trade Payable	5	-	26,43,354
(b) Other current liabilities	6	28,16,681	87,12,601
		<u>28,16,681</u>	<u>1,13,55,955</u>
Total		<u>2,69,90,098</u>	<u>4,26,86,391</u>
II. ASSETS			
Non-current assets			
(a) Fixed assets	7		
i) Tangible assets		6,60,003	6,06,526
ii) Intangible assets		2,05,43,399	2,34,98,410
(b) Long term loans and advances	8	26,80,727	40,16,781
		<u>2,38,84,129</u>	<u>2,81,21,717</u>
Current assets			
(a) Trade receivables	9	14,15,151	93,95,172
(b) Work-in-progress		-	16,00,750
(c) Cash and cash equivalents	10	2,79,552	3,44,006
(d) Short-term loans and advances	11	14,11,267	32,24,746
		<u>31,05,969</u>	<u>1,45,64,674</u>
Total		<u>2,69,90,098</u>	<u>4,26,86,391</u>
Other Disclosures	16-21		
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


(V. Nagarajan)
Partner



For **BASIX CONSULTING AND TRAINING SERVICES LIMITED**


(Vijay Mahajan)
Chairman


(Arijit Dutta)
Director

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

Date: June 14, 2014

Place: Hyderabad

BASIX CONSULTING AND TRAINING SERVICES LIMITED

(All amounts in Rs. except otherwise stated)

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED	Notes	31-Mar-14	31-Mar-2013
INCOME			
Revenue from operations	12	2,25,65,090	5,51,50,881
Other income	13	3,25,983	17,91,731
Total		2,28,91,073	5,69,42,612
EXPENSES			
Employee benefits expense	14	1,15,48,287	1,86,24,349
Professional and consultancy expenses		17,63,868	92,21,047
Bad debts written-off		11,29,898	33,41,636
Other operating expenses	15	35,16,743	2,08,82,383
Depreciation and amortization expense	7	30,94,376	30,67,387
Total		2,10,53,172	5,51,36,802
Profit before tax		18,37,901	18,05,810
Tax expense			
- Current tax		4,56,000	3,34,000
- Tax relating to earlier years		-	7,60,548
- Deferred tax		2,54,639	6,13,678
Profit/(Loss)		11,27,262	97,584
Earning per equity share (EPS) - Rs			
- Basic		0.97	(3.21)
- Diluted		0.97	0.19
Number of shares considered for			
- Basic		2,50,000	2,50,000
- Diluted		5,00,000	12,50,000
Other Disclosures	16-21		
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


(V. Nagarajan)
Partner



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

Date: June 14, 2014

Place: Hyderabad

For **BASIX CONSULTING AND TRAINING
SERVICES LIMITED**


(Vijay Mahajan)
Chairman


(Arijit Dutta)
Director

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

CASH FLOW STATEMENT FOR THE YEAR ENDED	31-Mar-14	31-Mar-13
A. Cash flows from operating activities		
Profit/ (loss) before taxation and after prior period items	18,37,901	18,05,810
Adjustments for		
Depreciation and amortization	30,94,376	30,67,387
Loss on sale of Assets	-	65,555
Provision for gratuity	61,027	16,997
Operating profit before working capital changes	49,93,304	49,55,749
Decrease / (Increase) in trade receivables	79,80,021	84,65,673
Decrease / (Increase) in other current assets	34,14,229	62,87,518
Decrease / (Increase) in Long term loans and advances	1,50,357	(2,57,847)
Payment of Gratuity	(78,024)	(12,67,443)
(Decrease) / Increase in current liabilities	(85,22,146)	(1,64,99,885)
Cash from / (used in) operating activities	79,37,741	16,83,765
Income tax refund/(paid)	7,29,697	(18,66,537)
Net cash from / (used in) operating activities	86,67,438	(1,82,772)
B. Cash flows from investing activities		
Purchase of tangible assets	(1,92,842)	(2,40,614)
Sale of Assets	-	1,50,000
Net cash from / (used in) investing activities	(1,92,842)	(90,614)
C. Cash flows from financing activities		
Redemption of preference shares	(75,00,000)	-
Dividend on Preference shares	(9,00,000)	(9,00,000)
Dividend distribution tax	(1,39,050)	(1,39,050)
Net cash (used in) / provided by financing activities	(85,39,050)	(10,39,050)
Net change in cash and cash equivalents during the year (A+B+C)	(64,454)	(13,12,436)
Cash and cash equivalents at the beginning of the year	3,44,006	16,56,442
Cash and cash equivalents at the end of the year (Refer note 10)	2,79,552	3,44,006

The accompanying notes are an integral part of these financial statements

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


(V. Nagarajan)
Partner



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

For **BASIX CONSULTING AND TRAINING SERVICES LIMITED**


(Vijay Mahajan)
Chairman


(Arijit Dutta)
Director

Date: June 14, 2014

Place: Hyderabad

BASIX CONSULTING AND TRAINING SERVICES LIMITED
NOTES FORMING PART OF FINANCIAL STATEMENTS

(All amounts in Rs. except otherwise stated)

1) Share capital	31-Mar-14	31-Mar-13
Authorised		
25,00,000 Equity Shares of Rs.10 each	2,50,00,000	2,50,00,000
25,00,000 Preference Shares of Rs.10 each	2,50,00,000	2,50,00,000
	5,00,00,000	5,00,00,000
Equity		
Issued, subscribed and paid-up		
2,50,000 (Previous year: 2,50,000) equity shares of Rs.10 each fully paid-up	25,00,000	25,00,000
Preference Share Capital		
Issued, subscribed and paid-up		
2,50,000 (Previous year: 10,00,000) 9% Optionally Cumulative Convertible Preference Shares (OCCPS) of Rs.10 each fully paid-up	25,00,000	1,00,00,000
Total	50,00,000	1,25,00,000

a) The details of shareholder(s) holding more than 5% shares as at March 31,2014 is set out below:

Name of the Shareholder	31-Mar-14	31-Mar-13
i). Equity shares of Rs. 10 Each		
Bhartiya Samruddhi Investment and Consulting Services Ltd	No's 2,38,000 %	2,38,000 95.20%
ii). Preference shares of Rs. 10 Each		
Bhartiya Samruddhi Investment and Consulting Services Ltd	No's 2,50,000 %	10,00,000 100.00%

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 2,00,000 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 i.e., March 26,2011. The company has redeemed 7,50,000 preference shares during the year at par. Balance is eligible for conversion into equity shares before March 25, 2016.

2) Reserves and surplus

	31-Mar-14	31-Mar-13
Capital Redemption Reserve		
Opening Balance	-	-
Additions during the year	75,00,000	-
Deductions during the year	-	-
	75,00,000	-
Securities Premium Reserve		
Opening Balance	80,00,000	80,00,000
Additions during the year	-	-
Deductions during the year	-	-
	80,00,000	80,00,000
General Reserve		
Opening Balance	30,00,000	-
Additions during the year	-	30,00,000
Deductions during the year	25,53,875	-
	4,46,126	30,00,000



BASIX CONSULTING AND TRAINING SERVICES LIMITED
NOTES FORMING PART OF FINANCIAL STATEMENTS

(All amounts in Rs. except otherwise stated)

Surplus		
Opening Balance	49,46,126	58,87,592
Profit/(Loss) for the year	11,27,262	97,584
<i>Deductions during the year</i>		
Transfer to Capital Redemption Reserve	49,46,126	-
Dividend on Preference Share Capital	8,85,165	9,00,000
Dividend Distribution Tax	1,36,758	1,39,050
	1,05,340	49,46,126
Total	1,60,51,465	1,59,46,126

3) Deferred tax liability (net)

	31-Mar-14	31-Mar-13
Opening balance	28,67,313	22,53,635
Add: Provided during the year	2,54,639	6,13,678
Total	31,21,952	28,67,313

[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-14	31-Mar-13
Employee benefits - Gratuity	-	16,997
Total	-	16,997

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 up to a maximum limit of Rs.1,000,000, as per the provisions of Payment of Gratuity Act, 1972.

ii). The disclosure as required under Accounting Standard (AS) – 15, was not made available in Actuarial Valuation provided by Life Insurance Corporation of India. 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-14	31-Mar-13
Expenses Payable	-	26,43,354
Total	-	26,43,354

6) Other Current Liabilities

	31-Mar-14	31-Mar-13
Consultancy Income received in advance	-	20,95,205
Statutory liabilities	2,79,905	15,14,710
Expenses Payable		
Payable to Employees	11,21,775	19,52,419
Other Payables	5,29,836	22,50,267
Dividend Payable on CCPS	8,85,165	9,00,000
Total	28,16,681	87,12,601

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).



BASIX CONSULTING AND TRAINING SERVICES LIMITED
NOTES FORMING PART OF FINANCIAL STATEMENTS

(All amounts in Rs. except otherwise stated)

8) Long term loans and advances	31-Mar-14	31-Mar-13
Non current		
Security deposits	3,52,490	5,02,847
Advance Tax	31,18,237	78,58,482
Less: Provision for Income Tax liability	7,90,000	43,44,548
	<u>23,28,237</u>	<u>35,13,934</u>
Total	26,80,727	40,16,781
9) Trade receivables	31-Mar-14	31-Mar-13
<i>Outstanding for less than six months</i>		
Unsecured, considered good	14,15,151	68,14,795
Doubtful	-	-
	<u>14,15,151</u>	<u>68,14,795</u>
<i>Outstanding for more than six months</i>		
Unsecured, considered good	-	25,80,377
Doubtful	-	-
	<u>-</u>	<u>25,80,377</u>
Total	14,15,151	93,95,172
10) Cash and cash equivalents	31-Mar-14	31-Mar-13
Balances with banks	2,79,552	3,44,006
Cash on hand	-	-
Total	2,79,552	3,44,006
- 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-14	31-Mar-13
Receivables and advances to related parties		
- From Holding Company	13,41,676	26,47,953
Others		
Prepaid expenses	38,776	52,844
Advances to Staff & Others	30,815	5,23,949
Total	14,11,267	32,24,746



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BASIX CONSULTING AND TRAINING SERVICES LIMITED
NOTES FORMING PART OF FINANCIAL STATEMENTS

(All amounts in Rs. except otherwise stated)

12) Revenue from operations	31-Mar-14	31-Mar-13
Sale of Services - Consulting and Others		
a) International Consulting Services	58,77,961	2,26,13,918
<i>Inclusive Financial Services Development</i>	-	50,54,134
<i>Information Technology and MIS</i>	47,19,565	21,34,464
<i>African Livelihood Partnership</i>	-	-
<i>BASIX Academy for Livelihood and Micro Banking Practice</i>	11,58,396	1,54,25,320
b) Domestic Consulting Services	1,66,87,129	3,14,36,213
<i>Inclusive Financial Services Development</i>	88,985	15,26,516
<i>Information Technology and MIS</i>	30,60,369	44,14,915
<i>Micro Insurance and Social Protection</i>	70,54,809	2,03,23,442
<i>BASIX Academy for Livelihood and Micro Banking Practice</i>	56,64,300	25,06,500
<i>Institution Development and Livelihood Promotion Services</i>	8,18,666	26,64,840
c) Unbilled Consulting Services	-	11,00,750
<i>Institution Development and Livelihood Promotion Services</i>	-	-
<i>Inclusive Financial Services Development</i>	-	5,00,000
<i>Information Technology and MIS</i>	-	-
<i>Micro Insurance and Social Protection</i>	-	6,00,750
<i>BASIX Academy for Livelihood and Micro Banking Practice - Programs</i>	-	-
Total	2,25,65,090	5,51,50,881
13) Other income	31-Mar-14	31-Mar-13
Interest on fixed deposits	51,242	-
Miscellaneous income	2,74,741	17,91,731
Total	3,25,983	17,91,731
14) Employee benefit expense	31-Mar-14	31-Mar-13
Salaries, wages and bonus	1,06,59,901	1,73,85,227
Contributions to provident and other funds	8,13,963	11,13,974
Staff welfare expenses	13,396	1,08,151
Gratuity	61,027	16,997
Total	1,15,48,287	1,86,24,349
15) Other operating expenses	31-Mar-14	31-Mar-13
Rent, Rates and Taxes	3,79,465	36,38,522
Traveling Expenses	18,59,344	1,25,69,671
Payments to the auditor as		
Audit Fees	2,00,000	2,00,000
Other services	2,500	6,200
for reimbursement of expenses	57,017	80,883
Office Maintenance	94,409	7,52,194
Telephone, Telex & Fax	1,78,852	7,20,513
Postage, Courier & Telegram	38,225	68,546
Printing & Stationery	1,33,276	8,05,365
Electricity & Water Expenses	2,25,625	7,29,683
Miscellaneous expenses	2,16,457	3,64,102
Meeting Expenses	42,055	7,06,938
Insurance	52,969	2,39,766
Net Gain / (Loss) on foreign currency	36,549	-
Total	35,16,743	2,08,82,383



BASIX CONSULTING AND TRAINING SERVICES LIMITED
NOTES FORMING PART OF FINANCIAL STATEMENTS

(All amounts in Rs. except otherwise stated)

Other Disclosures		
16) Contingent liabilities and capital commitments	31-Mar-14	31-Mar-13
a) Contingent liabilities	Nil	Nil
b) Capital commitments	Nil	Nil
17) Earnings per share	31-Mar-14	31-Mar-13
Reconciliation of basic and diluted shares used in computation of earnings per share		
Net profit as per profit and loss account	11,27,262	97,584
Weighted average number of shares considered for computation of basic EPS	2,50,000	2,50,000
Add: Effect of potential dilutive shares	2,50,000	10,00,000
Weighted average number of shares considered for computation of diluted EPS	5,00,000	12,50,000
Nominal value per share	10	10

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 Limited	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	Receipt/ Payment	31-Mar-14	31-Mar-13
Bhartiya Samruddhi Investment and Consulting Services Ltd	Other Income- Rental Charges	Receipt	-	12,00,000
	Advance Received	Receipt	-	1,50,00,000
	Capital Redemption	Payable	-	1,66,53,099
	Preference Dividend	Payment	8,85,165	9,00,000
	Fee From Services	Receivable	13,41,676	13,50,000
Indian Grameen Services	Consultancy Charges Paid	Payment	-	1,00,000
	Rent & Electricity Expenses	Payment	4,59,025	15,45,862
	Consultancy income	Receipt	-	6,59,236
BASIX Academy for Building Lifelong Employability Limited	Fee From Services	Receipt	4,92,661	-
The Livelihood School	Other Income	Receipt	40,000	1,18,000
Mr. S.L. Narayana	Remuneration	Payment	20,72,016	21,68,258
Mr. B L Parthasarathy	Remuneration		-	10,93,773



(Handwritten signatures)

BASIX CONSULTING AND TRAINING SERVICES LIMITED
NOTES FORMING PART OF FINANCIAL STATEMENTS

(All amounts in Rs. except otherwise stated)

19) Earnings and expenditure in foreign currency	31-Mar-14	31-Mar-13
<i>a) Earnings</i>		
Consulting services	58,77,961	1,39,89,955
<i>b) Expenditure</i>		
Consultancy charges	-	-
Travelling expenses	-	30,64,625
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 The previous year figures are regrouped /rearranged to conform to current year presentation.		

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

For BASIX CONSULTING AND TRAINING SERVICES LIMITED

Date: June 14,2014
Place: Hyderabad


(V. Nagarajan)
Partner




(Vijay Mahajan)
Chairman


(Arijit Dutta)
Director

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

BASIX CONSULTING AND TRAINING SERVICES LIMITED
NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2014

Note 7: Fixed assets

(All amounts in Rs. unless otherwise stated)

Particulars	Gross block			Depreciation/amortization			Net block		
	As at April 1, 2013	Additions during the Year	Deletions during the Year	As at Mar, 31 2014	Up to March 31, 2013	Charge for the Year	Deletions during the Year	As at Mar, 31 2014	As at March 31, 2013
(i) Tangible assets									
Office Equipment	69,325	-	-	69,325	11,774	4,964	-	52,587	57,551
Furniture & Fixtures	80,800	-	-	80,800	17,181	5,114	-	58,505	63,619
Computers	6,23,130	1,92,842	-	8,15,972	1,37,774	1,29,287	-	5,48,911	4,85,356
Sub total	7,73,255	1,92,842	-	9,66,097	1,66,729	1,39,365	-	6,60,003	6,06,526
ii) Intangible assets									
Technical know-how, logo usage charges, brand and business commercial rights	2,95,50,111	-	-	2,95,50,111	60,51,701	29,55,011	-	2,05,43,399	2,34,98,410
Sub total	2,95,50,111	-	-	2,95,50,111	60,51,701	29,55,011	-	2,05,43,399	2,34,98,410
Total	3,03,23,366	1,92,842	-	3,05,16,208	62,18,430	30,94,376	-	2,12,03,402	2,41,04,936
Previous year	3,00,07,184	3,05,949	-	3,03,23,366	1,42,475	62,18,430	-	2,41,04,936	2,98,64,708

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


(V. Nagarajan)
Partner


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

For **BASIX CONSULTING AND TRAINING SERVICES**
LIMITED


(Vijay Mahajan)
Chairman


(Arjit Dutta)
Director

Date: June 14, 2014
Place: Hyderabad

BASIX CONSULTING AND TRAINING SERVICES LIMITED

22) SIGNIFICANT ACCOUNTING POLICIES FORMING PART OF FINANCIAL STATEMENTS

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.

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 over 10 years, with depreciation rate of 10%.

g) Employee Benefits:

- 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



BASIX CONSULTING AND TRAINING SERVICES LIMITED

22) SIGNIFICANT ACCOUNTING POLICIES FORMING PART OF FINANCIAL STATEMENTS

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.
- 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



BASIX CONSULTING AND TRAINING SERVICES LIMITED

22) SIGNIFICANT ACCOUNTING POLICIES FORMING PART OF FINANCIAL STATEMENTS

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

June 14, 2014
Hyderabad



(V. Nagarajan)
Partner

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

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

(Vijay Mahajan)
Chairman

(Arijit Dutta)
Director