

Jana Urban Foundation (formerly Janalakshmi Social Services)

(Registered under Section 25 of the Companies Act, 1956)

(A Company Limited By Guarantee)

Balance Sheet as at 31 March, 2013

Particulars		Note No.	As at 31-Mar-13 Rs.	As at 31-Mar-12 Rs.
A	EQUITY AND LIABILITIES			
1	Shareholders' funds			
	(a) Share capital	3	-	-
	(b) Reserves and surplus	4	(35,684,060)	(16,524,427)
2	Non-current liabilities			
	(a) Long-term provisions	5	269,631	485,728
3	Current liabilities			
	(a) Short-term borrowings	6	37,811,066	35,442,638
	(b) Trade payables	7	2,199,975	1,043,155
	(c) Other current liabilities	8	5,219,683	10,550,265
	(d) Short-term provisions	9	61,264	48,399
	TOTAL		9,877,559	31,045,758
B	ASSETS			
1	Non-current assets			
	(a) Fixed assets			
	(i) Tangible assets	10A	716,457	84,506
	(ii) Intangible assets	10B	21,122	63,228
	(b) Non-current investments	11	1,685,611	100,001
	(c) Long-term loans and advances	12	1,955,779	1,605,393
2	Current assets			
	(a) Trade receivables	13	19,637	1,547,044
	(b) Cash and cash equivalents	14	5,012,843	12,212,588
	(c) Short-term loans and advances	15	236,895	15,366,283
	(d) Other current assets	16	229,215	66,715
	TOTAL		9,877,559	31,045,758

See accompanying notes forming part of the financial statements 1 to 31

In terms of our report attached

For **Deloitte Haskins & Sells**

Chartered Accountants

S. Ganesh

S Ganesh
Partner



Place: Bangalore

Date: *September 6, 2013*

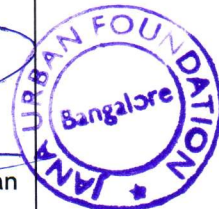
For and on Behalf of the Board of Directors

R. Srinivasan

Raghunath Srinivasan
Director

R. Ramanathan

Ramesh Ramanathan
Director



Place: Bangalore

Date: *6 September 2013*

Jana Urban Foundation (formerly Janalakshmi Social Services)
(Registered under Section 25 of the Companies Act, 1956)
(A Company Limited By Guarantee)

Statement of Profit and Loss for the year ended 31 March, 2013

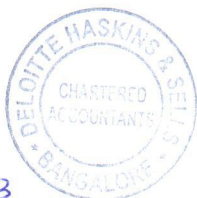
Particulars	Note No.	For the year ended 31-Mar-13 Rs.	For the year ended 31-Mar-12 Rs.
1 Revenue from operations	17	8,539,598	11,990,359
2 Other income	18	10,048,381	15,764,013
3 Total revenue (1+2)		18,587,979	27,754,372
4 Expenses			
(a) Employee benefits expense	19	21,901,567	20,103,054
(b) Finance costs	20	4,539,121	4,449,728
(c) Depreciation and amortisation expense	10 A&B	292,205	77,552
(d) Other expenses	21	11,014,719	12,492,951
Total expenses		37,747,612	37,123,285
5 Loss for the year before Tax		(19,159,633)	(9,368,913)
6 Tax expenses			
(a) Current tax		-	-
(b) Deferred tax		-	-
7 Loss for the year after Tax		(19,159,633)	(9,368,913)

See accompanying notes forming part of the financial statements 1 to 31

In terms of our report attached
For Deloitte Haskins & Sells
Chartered Accountants

S. Ganesh

S Ganesh
Partner



Place: Bangalore

Date: September 6, 2013

For and on Behalf of the Board of Directors

R. Srinivasan

Raghunath Srinivasan
Director

Place: Bangalore

Date: 6 September 2013

R. Ramanathan

Ramesh Ramanathan
Director



CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH, 2013

	Particulars	For the year ended 31-Mar-13 Rs.	For the year ended 31-Mar-12 Rs.
A.	Cash flow from Operating Activities		
	Net Profit /(Loss) before tax	(19,159,633)	(9,368,913)
	Add: Depreciation and amortisation	292,205	77,552
	Less: Interest received from Banks	-	(7,021)
	Operating profit before working capital changes	(18,867,428)	(9,298,382)
	Changes in working capital		
	(Increase) / Decrease in Trade receivables	1,527,407	(800,383)
	(Increase) / Decrease in Short-term loans and advances	15,129,388	16,562,767
	(Increase) / Decrease in Other current assets	(162,500)	724,279
	Increase/(Decrease) in Short-term borrowings	2,368,428	(5,995,306)
	Increase/(Decrease) in Trade Payable	1,156,820	295,775
	Increase/(Decrease) in Other Current Liabilities	(5,330,582)	9,051,275
	Increase/(Decrease) in Long/Short-term Provisions	(203,232)	274,482
	Net change in working capital	14,485,729	20,112,889
	Cash generated from operations	(4,381,699)	10,814,507
	Direct taxes paid	350,386	606,073
	Net cash from / (used in) Operating Activities (A)	(4,732,085)	10,208,434
B.	Cash flow from Investing Activities		
	Purchase of fixed assets	(882,050)	(40,000)
	Interest received	-	7,021
	Investment in JFS	(1,585,610)	-
	Net cash from / (used in) Investing Activities (B)	(2,467,660)	(32,979)
C.	Cash flow from Financing Activities		
	Net cash from / (used in) Financing Activities (C)	-	-
	Net Increase/(Decrease) in cash and cash equivalents during the year (A+B+C)	(7,199,745)	10,175,455
	Cash and cash equivalents at the beginning of the year	12,212,588	2,037,133
	Cash and cash equivalents at the end of the year	5,012,843	12,212,588

See accompanying notes forming part of the financial statements 1 to 31

In terms of our report attached
For Deloitte Haskins & Sells
Chartered Accountants

V. Ganesh
S Ganesh
Partner

Place: Bangalore

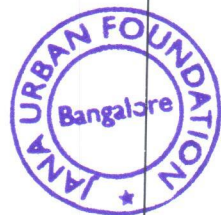
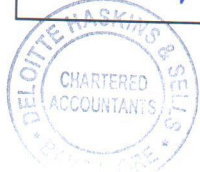
Date: *September 6, 2013*

For and on Behalf of the Board of Directors

R. Srinivasan
Raghunath Srinivasan
Director
R. Ramanathan
Ramesh Ramanathan
Director

Place: Bangalore

Date: *6 September 2013*



Jana Urban Foundation (erstwhile Janalakshmi Social Services)
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Note 1

Corporate information

The Company was incorporated on June 29, 2006 to carry on micro financing activities as permitted by the Reserve Bank of India, and other related activities with the sole objective of promoting the development and economic well being of the urban and rural poor. The Company is limited by guarantee and each member undertakes to contribute to the assets of the Company, in the event of the Company being wound up while he is a member or within one year afterwards, such amounts as stated in the Memorandum of Association of the Company.

During the Financial year 2008-09 company transferred the business of micro finance to M/s. Janalakshmi Financial Services Private Limited.

Business Correspondent :

On September 4, 2010 Company has entered into an agreement with Axis Bank to provide the service as Business Correspondent. According to which the Bank has authorized to undertake activities relating to the Bank's customer which includes

- acquisition of no frill saving bank account,
- facility of account operation,
- Customer service point etc

Subsequent to 31 March 2013, the Company changed its name from Janalakshmi Social Services to Jana Urban Foundation on 8 May 2013.



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Note 2

Significant Accounting Policies

2.1 Basis of Accounting

The financial statements of the Company have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards notified under the Companies (Accounting Standards) Rules, 2006 (as amended) and the relevant provisions of the Companies Act, 1956. The financial statements have been prepared on accrual basis under the historical cost convention. The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the previous year

2.2 Use of Estimates

The preparation of the financial statements in conformity with Indian GAAP requires the management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities on the date of the financial statements and the reported amounts of income and expenditure during the year reported. Actual results could differ from those estimates. Any provision to accounting estimates is recognized prospectively in the current and future periods.

2.3 Cash flow statement

Cash flows are reported using the indirect method, whereby profit / (loss) before extraordinary items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

2.4 Tangible Assets and Depreciation

Tangible assets are carried at cost less depreciation. Cost includes purchase price and other costs incurred towards acquisition and installation of the asset. Specific grant received for acquisition of fixed assets are reduced from the cost of the asset.

Tangible assets are depreciated under the written down value method at the rates specified in Schedule XIV of the Companies Act, 1956.

2.5 Intangibles and amortisation

Acquired intangibles are capitalized and amortised as follows.

Assets	Useful Life estimated by the management (years)
Computer Software	3

2.6 Revenue Recognition

(a) Revenue from services is recognized on rendering of services as per the terms of the contract.

(b) External funded projects: Grants received towards revenue expenses are recognized in the Statement of Profit and Loss on a systematic basis over the period necessary to match them with the related costs which the grants are intended to compensate.

(c) Interest income is recognised on accrual basis.

(d) Other income is recognised on accrual basis

2.7 Investments

Long-term Investments are carried at cost. Provision for diminution in value of long term investments is made to recognize a decline, which is other than temporary.

2.8 Employee Benefits

Defined contribution plan

Contributions to the Regional Provident Fund Commissioner to secure retiral benefits in respect of Employees' Provident Fund and Employees Family Pension Fund, based on the statutory provisions as per the Employee Provident Fund Scheme, are charged to revenue.



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Defined benefit plan & long term compensated absences

Expenditure for defined benefit gratuity plan and long term accumulated compensated absences is calculated as at The Company accounts for its liability for long term unfunded compensated absences and funded gratuity based on Actuarial gains and losses are recognized in full in the Statement of Profit and Loss for the period in which they The retirement benefit obligation recognized in the balance sheet represents the present value of the defined benefit obligation as adjusted for unrecognized past service cost, and as reduced by the fair value of scheme assets. Any asset resulting from this calculation is limited to past service cost, plus the present value of available refunds and reductions in future contributions to the scheme.

Short term employee benefits

Short - term employee benefits expected to be paid in exchange for the services rendered by the employees is recognized during the period when the employee renders service.

2.9 Accounting for lease

Assets taken as leases on non-cancellable basis, where a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Operating Lease rentals are charged to the Statement of Profit and Loss on accrual basis.

2.10 Taxes

Direct Taxes

Income tax comprises the current tax provision and the net change in the deferred tax asset or liability during the year.

Deferred tax assets and liabilities are recognized for the future tax consequences of temporary differences between the carrying values of the assets and liabilities and their respective tax bases. Deferred tax assets are recognized subject to the management's judgment that realization is virtually certain.

Deferred tax assets and liabilities are measured using enacted tax rates applicable on the Balance Sheet date. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in the income statement in the period of enactment of the change.

Indirect Taxes

Service Tax input credit is accounted for in the books in the period when the underlying service received is accounted and when there is no uncertainty in availing or utilizing the same.

2.11 Impairment of Assets

The carrying values of assets / cash generating units at each Balance Sheet date are reviewed for impairment. If any indication of impairment exists, the recoverable amount of such assets is estimated and impairment is recognised, if the carrying amount of these assets exceeds their recoverable amount. The recoverable amount is the greater of the net selling price and their value in use. Value in use is arrived at by discounting the future cash flows to their present value based on an appropriate discount factor. When there is indication that an impairment loss recognised for an asset in earlier accounting periods no longer exists or may have decreased, such reversal of impairment loss is recognised in the Statement of Profit and Loss, except in case of revalued assets.

2.12 Foreign Currency Transactions

Foreign currency transactions are recorded at the rate of exchange prevailing, on the date of the transaction. Outstanding foreign currency monetary assets and liabilities are restated at year end rates. Gains/Losses arising on restatement / settlement are adjusted to the Statement of profit and loss as applicable.

2.13 Provisions and Contingencies

A provision is recognized when the Company has a present legal or constructive obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which reliable estimate can be made. Provisions (excluding retirement benefits) are not discounted to its present value and are determined based on best estimate required to settle the obligation at the balances sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

Contingent liabilities are not recognised and, if any, are adequately disclosed in the notes to accounts.

Contingent assets are not recognized in the financial statements since they may result in the recognition of income that may never be realized.



Notes forming part of the financial statements

Note 3

Share Capital:

Particulars	As at 31 March, 2013	As at 31 March, 2012
	(Rs)	(Rs)
Refer Note below	-	-

The Company is limited by guarantee and each member undertakes to contribute to the assets of the Company, in the event of the Company being wound up while he is a member or within one year afterwards, upto Rs. 1,000 as stated in the Memorandum of Association of the Company.

Note 4

Reserves & surplus:

Particulars	As at 31 March, 2013	As at 31 March, 2012
	(Rs)	(Rs)
(a) Capital Reserve	1,152,798	1,152,798
(Deficit) in Statement of Profit and Loss		
Opening balance	(17,677,225)	(8,308,312)
Add: (Loss) for the year	(19,159,633)	(9,368,913)
Closing balance	(36,836,858)	(17,677,225)
Total	(35,684,060)	(16,524,427)

Movement in Reserves & Surplus is as under:

Particulars	Opening Balance	Addition	Deduction	Closing Balance
(i) Vehicle Revolving Fund - SIDBI (Taken over From Sanghamithra Rural Financial Services)	312,000	-	-	312,000
(ii) SHG Books Fund - SIDBI (Taken over From Sanghamithra Rural Financial Services)	840,798	-	-	840,798
	1,152,798	-	-	1,152,798

Note 5

Long term provisions:

Particulars	As at 31 March, 2013	As at 31 March, 2012
	(Rs)	(Rs)
Provision for employee benefits		
Gratuity (Refer Note 23)	115,807	155,990
Leave Encashment	153,824	329,738
Total	269,631	485,728

Note 6

Short-term borrowings (Unsecured)

Particulars	As at 31 March, 2013	As at 31 March, 2012
	(Rs)	(Rs)
Inter Corporate Loan - Related Parties		
Janalakshmi Financial Services Private Limited (Refer Note 22)	37,811,066	35,442,638
Total	37,811,066	35,442,638

Note:

Inter - corporate loan is repayable on demand and carries interest @ 12% p a



Note 7

Trade payables:

Particulars	As at 31 March, 2013	As at 31 March, 2012
	(Rs)	(Rs)
(a) Trade Payables		
Due to Micro and Small Enterprises (Refer Note 28)	-	-
Others		
- Cross Domain Solutions Private Limited - (Refer Note 22)	-	18,296
- Others	2,199,975	1,024,859
Total	2,199,975	1,043,155

Note 8

Other current liabilities:

Particulars	As at 31 March, 2013	As at 31 March, 2012
	(Rs)	(Rs)
Statutory Liabilities		
MSD Foundataion (Refer Note 8a)	895,744	935,187
Other Liabilities	4,275,939	9,615,078
	48,000	-
Total	5,219,683	10,550,265

Note 8a: MSD Foundation

Particulars	Opening Balance	Addition	Deduction	Closing Balance
MSD Foundation (Revenue grant received)	9,615,078	3,677,524	9,016,663	4,275,939
	9,615,078	3,677,524	9,016,663	4,275,939

Note 9

Short term provisions:

Particulars	As at 31 March, 2013	As at 31 March, 2012
	(Rs)	(Rs)
Provision for Employee Benefits:		
- Gratuity (Refer Note 23)	247	429
- Leave Encashment	61,017	47,970
Total	61,264	48,399



Jana Urban Foundation (formerly Janalakshmi Social Services)
Notes forming part of the financial statements

Note 10A - Tangible Assets

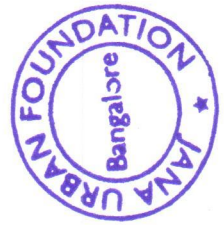
Particulars	Gross Block		Accumulated Depreciation			Net Block	
	Balance as at 31 March, 2012	Balance as at 31 March, 2013	Balance as at 31 March, 2012	Depreciation charge for the year	Balance as at 31 March, 2013	Balance as at 31 March, 2013	Balance as at 31 March, 2012
a) Computer	99,490	-	51,519	19,188	70,707	28,783	47,971
b) Office equipment	40,000	882,050	3,465	230,910	234,375	687,675	36,535
Total	139,490	882,050	54,984	250,099	305,083	716,457	84,506
Previous Year	99,490	40,000	19,538	35,446	54,984	84,506	79,952

Note 10B - Intangible Assets

Particulars	Gross Block		Accumulated Depreciation			Net Block	
	Balance as at 31 March, 2012	Balance as at 31 March, 2013	Balance as at 31 March, 2012	Depreciation charge for the year	Balance as at 31 March, 2013	Balance as at 31 March, 2013	Balance as at 31 March, 2012
Computer Software	126,330	-	63,102	42,106	105,208	21,122	63,228
Total	126,330	-	63,102	42,106	105,208	21,122	63,228
Previous Year	126,330	-	20,996	42,106	63,102	63,228	105,334

Depreciation and amortisation:

Particulars	For the year ended 31 March, 2013	For the year ended 31 March, 2012
Depreciation and amortisation for the year as per Note 10A & B	292,205	77,552



Jana Urban Foundation (formerly Janalakshmi Social Services)
Notes forming part of the financial statements

Note 11: Non Current Investment (Non - Trade)

(a) Investment in Equity Instruments (at cost)

Sr. No.	Name of the Body Corporate	Subsidiary / Associate / JV/ Controlled Entity / Others	No. of Shares		Quoted / Unquoted	Partly Paid / Fully paid	Extent of Holding (%)		Amount (Rs)	
			2013	2012			2013	2012	2013	2012
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
	a) Janaadhar (India) Private Limited (formerly Janaadhar Constructions Pvt. Ltd.)	Associate	20,000	20,000	Unquoted	Fully Paid	1%	1%	100,000	100,000
	b) Janalakshmi Financial Services Private Limited	Associate	407,491	248,930	Unquoted	Fully Paid	25%	25%	1,585,611	1
	Aggregate amount of Unquoted Investment Rs:								1,685,611	100,001

(b) Increase in investment as at 31 Mar 2013

Investment in Equity Instruments (at cost)	No. of Shares	Per Share value (Rs)	Amount (Rs)
Janalakshmi Financial Services Private Limited.	158,561	10	1,585,610



Notes forming part of the financial statements

Note 12

Long term loans & advances:

Particulars	As at 31 March, 2013	As at 31 March, 2012
	(Rs)	(Rs)
Advance income tax including TDS (Net of Provision Rs 426,391/- (Previous year 426,391/-)	1,955,779	1,605,393
Total	1,955,779	1,605,393

Note 13

Trade receivables (Unsecured and Considered good)

Particulars	As at 31 March, 2013	As at 31 March, 2012
	(Rs)	(Rs)
Outstanding for more than 6 months	-	-
Others	19,637	1,547,044
Total	19,637	1,547,044

Note 14

Cash and cash equivalent:

Particulars	As at 31 March, 2013	As at 31 March, 2012
	(Rs)	(Rs)
(a) Balances with banks In current accounts	559,748	2,067,493
(b) Cash on hand	3,095	3,095
(c) Others Balances with banks Flexi Deposits	4,450,000	10,142,000
Total	5,012,843	12,212,588

Note 15

Short-term loans and advances (Unsecured & Considered good)

Particulars	As at 31 March, 2013	As at 31 March, 2012
	(Rs)	(Rs)
(a) Inter - Corporate Loan - Related Party (Refer Note 15a)	236,895	15,136,273
(b) Others:	-	230,010
Total	236,895	15,366,283



Jana Urban Foundation (formerly Janalakshmi Social Services)

(Registered under Section 25 of the Companies Act, 1956)

(A Company Limited By Guarantee)

Notes forming part of the financial statements

Note 15a : Short term loans & advances include debts due from:

Particulars	As at 31 March, 2013	As at 31 March, 2012
	(Rs)	(Rs)
Private companies in which a director is a director or member: Janaadhar (India) Private Limited (formerly Janaadhar Constructions Pvt. Ltd. (Refer Note 22)	236,895	15,136,273
	236,895	15,136,273

Note 16

Other current assets:

Particulars	As at 31 March, 2013	As at 31 March, 2012
	(Rs)	(Rs)
a) Service Tax Receivable	229,215	53,237
b) Others	-	13,478
Total	229,215	66,715



Note 17

Revenue from operations:

Particulars	For the year ended 31 March, 2013	For the year ended 31 March, 2012
	(Rs)	(Rs)
(a) Income from Service as Business Correspondent:		
Acquisition Fee	4,354,912	6,807,850
Data Entry Fee	667,247	1,906,198
Operative Account Fee	2,254,749	2,631,732
Group Term Life Insurance	91,800	209,959
Accidental Insurance	113,760	346,460
(b) Livelihood - Registration Fee	5,200	88,160
(c) Financial Advisory Service Income	1,051,930	-
Total	8,539,598	11,990,359

Note 18

Other income:

Particulars	For the year ended 31 March, 2013	For the year ended 31 March, 2012
	(Rs)	(Rs)
(a) Interest Income (TDS Rs. 82,579/- (PY Nil))	825,791	2,747,808
(b) Revenue Grant	9,016,663	10,647,176
(c) Net gain/loss on sale of investments	-	1,930,037
(d) Rental Income	-	385,000
(e) Other non operating Income	205,927	53,992
Total	10,048,381	15,764,013



Note 19

Employee benefits expenses:

Particulars	For the year ended 31 March, 2013	For the year ended 31 March, 2012
	(Rs)	(Rs)
(a) Salaries and Wages	19,662,872	18,331,234
(b) Contribution to Provident & Other Funds	1,522,913	1,009,049
(c) Staff Welfare	715,782	762,771
Total	21,901,567	20,103,054

Note 20

Finance costs:

Particulars	For the year ended 31 March, 2013	For the year ended 31 March, 2012
	(Rs)	(Rs)
Other Borrowing Cost - Interest	4,539,121	4,449,728
Total	4,539,121	4,449,728

Note 21

Other expenses:

Particulars	For the year ended 31 March, 2013	For the year ended 31 March, 2012
	(Rs)	(Rs)
Rent (Refer Note 24)	466,077	618,052
Insurance	268,942	432,068
Maintainence - Building	85,890	109,073
Rates & Taxes	2,500	62,578
Travelling and Conveyance	3,168,982	3,961,394
Printing and Stationery	87,055	67,327
Postage, Telephone & Courier Charges	1,082,292	820,814
Legal and Professional Fees	5,221,822	4,227,489
Audit Fee (Refer Note 21a)	200,000	100,000
Office Expenses	19,412	43,623
Project Expenses	340,227	1,969,660
Miscellaneous Expenses	30,658	80,873
Development & Training expenses	40,862	-
Total	11,014,719	12,492,951

Note 21a : Audit Fees:

Particulars	For the year ended 31 March, 2013	For the year ended 31 March, 2012
	(Rs)	(Rs)
Statutory Audit Fee (net of service tax input credit)	200,000	100,000
Out of pocket expenses	-	-
	200,000	100,000



Notes forming part of the Financial Statement

22 Related Party Disclosures:

Related Party Relationships:

(1) Key Management Personnel:

Mr. Ramesh Ramanathan - Director

(2) Associate Companies:

1. Janalakshmi Financial Services Private Limited
2. Janaadhar (India) Private Limited (formerly Janaadhar Constructions Pvt. Ltd.)
3. Cross Domain Solutions Private Limited

Nature and amount of transactions during the year:

Nature of Transactions	Rupees	
	31st March 2013	31st March 2012
<u>Janalakshmi Financial Services Private Limited:</u>		
Opening payable	35,442,638	41,437,944
Debits during the year	40,726,952	39,582,450
Credits during the year	(38,358,524)	(45,577,756)
Balance Payable	37,811,066	35,442,638
Opening Investment	1	1
Add: Investment made during the year	1,585,610	-
Less: Investment sold during the year	-	-
Closing Investment	1,585,611	1
<u>Janaadhar (India) Private Limited (formerly Janaadhar Constructions Pvt. Ltd.):</u>		
Opening Receivable	15,136,273	31,646,836
Amount paid/ Transferred	2,480,987	3,027,003
Amount received/ Transferred	(17,380,365)	(19,537,566)
Balance Receivable	236,895	15,136,273
Opening Investment	100,000	100,000
Add: Investment made during the year	-	-
Less: Investment sold during the year	-	-
Closing Investment	100,000	100,000
<u>Cross Domain Solutions Private Limited:</u>		
Services Received	139,656	133,194
Balance Payable	-	18,296

Note:

- 1) The above information has been determined to the extent such parties have been identified on the basis of information available with the Company, which has been relied upon by the auditors.
- 2) No amount is/has been written off or written back during the period in respect of debts due from/to related parties.



23 Details of benefit, cost and obligation - as per actuarial valuation as on March 31, 2013.

Gratuity	FY 12-13 (Rs.)	FY 11-12 (Rs.)
Components of employer expense		
Current Service cost	191,475	116,299
Interest cost	13,296	5,466
Expected return on plan assets	-	-
Curtailment cost/(credit)	-	-
Settlement cost/(credit)	-	-
Transitional Adjustment	-	-
Actuarial Losses/(Gains)	(226,011)	(31,596)
Total expense recognised in the Statement of Profit & Loss	(21,240)	90,169
Actual Contribution and Benefits Payments for year ended 31 March 2013		
Actual benefit payments	-	-
Actual Contributions	-	-
Net asset/(liability) recognised in balance sheet as at March 31, 2013		
Present value of Defined Benefit Obligation (DBO)	(116,054)	(156,419)
Fair value of plan assets	-	-
Funded status [Surplus/(Deficit)]	(116,054)	(156,419)
Unrecognised Past Service Costs	-	-
Net asset/(liability) recognised in balance sheet	(116,054)	(156,419)
Change in Defined Benefit Obligations during the year ended 31 March,		
Present Value of DBO at beginning of year	156,419	66,250
Current Service cost	191,475	116,299
Interest cost	13,296	5,466
Curtailment cost/(credit)	-	-
Settlement cost/(credit)	-	-
Plan amendments	-	-
Acquisitions	-	-
Actuarial (gains)/ losses	(226,011)	(31,596)
Benefits paid	(19,125)	-
Present Value of DBO at the end of year	116,054	156,419
Change in Fair Value of Assets during the year ended 31 March, 2013		
Plan assets at beginning of period	-	-
Acquisition Adjustment	-	-
Actual return on plan assets	-	-
Actual Company contributions	-	-
Benefits paid	-	-
Plan assets at the end of year	-	-
Actuarial Assumptions for Gratuity	31-Mar-13	31-Mar-12
Discount Rate	8.25%	8.25%
Expected Return on plan assets	0.00%	0
Salary escalation	5%	5%
Mortality	LIC 1994-96	LIC 1994-96
Withdrawal rates	Ultimate Table	Ultimate Table

Note: Details of fund assets, which are managed by an insurance company have not been disclosed since the details have not been

Other Disclosure - Gratuity

Particulars	FY 12-13	FY 11-12
Present value of defined benefit obligation	116,054	156,419
Fair Value of Plan Assets	-	-
Status (Surplus / (Deficit))	-	-
Experience Adjustment of plan assets (Gain / (Loss))	-	-
Experience Adjustment of obligation (Gain / (Loss))	(226,011)	(31,596)

Considering the scheme of benefits followed by the Company for the valuations done in the previous year(s), the liability on account of the future decrements was calculated using commutation functions as a combined liability for the future payment term of the employees and was not calculated for each year(s) separately. Hence, it is difficult to give payout relating to next year only. In view of this, current and non current bifurcation of the previous year has not been done.

Actuarial Assumptions for Leave Salary	31-Mar-13	31-Mar-12
Retirement Age	58 Years	58 Years
Attrition rate	2.00% p.a	2.00% p.a
Future Salary Rise	5.00% p.a	5.00% p.a
Rate of Discounting	8.25% p.a	8.25% p.a
Mortality	LIC 1994-96	LIC 1994-96
	Ultimate	Ultimate

Net liability recognised in balance sheet

Particulars	31-Mar-13	31-Mar-12
Current	247	429
Non-Current	115,807	155,990
Total	116,054	156,419

The discount rate is based on the prevailing market yields of Government of India securities as at the Balance Sheet date for the estimated term of the obligations.

The estimates of future salary increases considered in actuarial valuation take account of inflation, seniority, promotion and other relevant factors such as supply and demand factors in the employment market.



24 Operating Leases:

The Company has taken office premises under cancellable operating lease for a period ranging from three years. Lease payments recognized in the statement of profit and loss for the year amounts to Rs.466,077/- (Previous year - Rs. 618,052/-).
Lease receipts recognized in the statement of profit and loss for the year amounts to Nil (Previous year - Rs. 385,000/-).

25 Foreign Currency:

The company has not incurred any expenditure in Foreign Currency (Previous Year: Rs.Nil) and not received any amount in Foreign Currency during the year. (Previous year - Rs.20,262,254/- (\$ 390,243.90)).

26 Deferred Tax:

The company has a net Deferred Tax Asset as on March 31, 2013. This has not been recognized in the books in the absence of virtual certainty that sufficient future taxable income will be available against which the deferred tax asset can be adjusted.

27 During the year the Company has received a further revenue Grant of Rs. 3,677,524 (includes interest amount of Rs. 677,524/-) (Previous Year - Rs. 20,262,254) (includes interest amount of Rs.262,254/-) of which Rs. 9,016,663/- (Previous Year - Rs.10,647,176/-) has been utilised towards expenses with a balance Rs. 4,275,939/- (Previous Year - Rs. 9,615,078/-) pending utilisation.

28 There are no micro enterprises and small enterprises, to whom the company owes dues, which are outstanding as at the Balance Sheet date. The information regarding micro enterprises and small enterprises has been determined to the extent such parties have been identified on the basis of information available with the company. This has been relied upon by the auditors.

29 Segment Information:

The Company is engaged only in the business of providing service as Business Correspondent and hence there is no other reportable primary business segment information. There is no reportable secondary geographical segment information as the Company's operations are only in India.

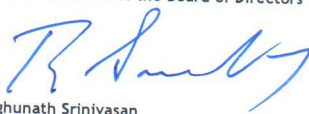
30 Commitment & Contingencies:

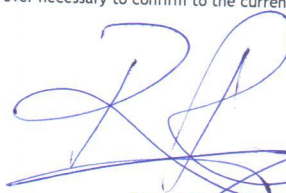
Particulars	As at 31 March, 2013	As at 31 March, 2012
	(Rs)	(Rs)
(i) Contingent Liabilities	Nil	Nil
(ii) Commitments	Nil	Nil

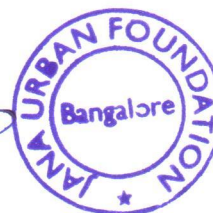
31 Previous years figures have been regrouped/re-arranged wherever necessary to confirm to the current years classification.

Signatures to Note 1 to 31

For and on behalf of the Board of Directors


Raghunath Srinivasan
Director


Ramesh Ramanathan
Director



Place: Bangalore

Date: 6 September 2013

