

KANHATECH SOLUTIONS LIMITED

# **Kanhatech Solutions Limited**

# Independent Auditor's Report

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## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF KANHATECH SOLUTIONS LIMITED

### Report on the Standalone Financial Statements

1. We have audited the accompanying standalone financial statements of **KANHATECH SOLUTIONS LIMITED** ("the Company"), which comprise the Balance Sheet as at 31<sup>st</sup> March, 2015, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

### Management's Responsibility for the Standalone Financial Statements

2. The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, 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.

### Auditor's Responsibility

3. Our responsibility is to express an opinion on these standalone financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.
4. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. 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.
5. An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, 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 financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.
6. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

### Opinion

7. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone 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, of the state of affairs of the Company as at 31<sup>st</sup> March, 2015, and its loss and its cash flows for the year ended on that date.

### Report on Other Legal and Regulatory Requirements

8. As required by Section 143 (3) of the Act, we report that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

- (c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
- (d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- (e) On the basis of the written representations received from the directors as on 31<sup>st</sup> March, 2015 taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March, 2015 from being appointed as a director in terms of Section 164 (2) of the Act.
- (f) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
  - i. The Company does not have any pending litigations which would impact its financial position.
  - ii. The Company does not have any foreseeable losses on long-term contracts including derivative contracts, if any, in respect of which any provision is required to be made under the applicable law and Accounting Standards.
  - iii. There are no amounts that are required to be transferred to the Investor Education and Protection Fund by the Company.

For **CHATURVEDI & SHAH**  
Chartered Accountants  
(Firm's Registration No. 101720W)

**R. KORIA**  
Partner  
Membership No. 35629

Mumbai, April 14, 2015

## Balance Sheet as at 31st March, 2015

	Note	As at 31st March, 2015	(Rs. in lakhs) As at 31st March, 2014
<b>I. EQUITY AND LIABILITIES</b>			
<b>1. Shareholders' Funds</b>			
(a) Share Capital	2	2,500.00	2,300.00
(b) Reserves and Surplus	3	(217.53)	(148.91)
		<b>2,282.47</b>	2,151.09
<b>2. Non - Current Liabilities</b>			
(a) Long Term Borrowings	4	1,871.85	110.14
(b) Long Term Provisions	5	24.84	12.64
		<b>1,896.69</b>	122.78
<b>3. Current Liabilities</b>			
(a) Other Current Liabilities	6	218.38	66.10
(b) Short Term Provisions	7	8.89	6.90
		<b>227.27</b>	73.00
<b>TOTAL</b>		<b>4,406.43</b>	<b>2,346.87</b>
<b>II. ASSETS</b>			
<b>1. Non-Current Assets</b>			
(a) Fixed Assets			
(i) Tangible Assets	8	147.18	160.59
(ii) Intangible Assets	9	2.04	-
(iii) Intangible Assets under Development	10	3,974.51	2,050.26
(b) Long Term Loans and Advances	11	67.04	1.19
		<b>4,190.77</b>	2,212.04
<b>2. Current Assets</b>			
(a) Current Investments	12	1.53	1.53
(b) Cash and Bank Balances	13	70.32	43.69
(c) Short Term Loans and Advances	14	143.81	89.61
		<b>215.66</b>	134.83
<b>TOTAL</b>		<b>4,406.43</b>	<b>2,346.87</b>
<b>Significant Accounting Policies</b>	1		
<b>Notes to the Financial statements</b>	2 - 27		

As per our Report of even date

For and on behalf of the Board

**For Chaturvedi & Shah**  
Chartered Accountants  
Firm Regn No: 101720W

**Murlidhara Kadaba**  
Director  
DIN: 01435701  
Place: Bangalore

**Bharat Goenka**  
Director  
DIN: 00030498  
Place: Bangalore

**Raj Ahuja**  
Director  
DIN: 01693647  
Place: Bangalore

**R.Koria**  
Partner  
Membership No: 035629

**D Sathish Kumar**  
Chief Financial Officer  
PAN: ANXPS2725A  
Place: Mumbai  
Date: April 14, 2015

**Thriveni Shetty**  
Company Secretary  
Membership No: A30012  
Place: Mumbai

Place: Mumbai  
Date: April 14, 2015

## Statement of Profit and Loss for the year ended 31st March, 2015

	Note	2014-15	(Rs. in lakhs) 2013-14
<b>I. Income</b>			
Other Income	15	0.15	2.11
<b>Total Revenue</b>		<b>0.15</b>	<b>2.11</b>
<b>II. Expenditure</b>			
Employee Benefits Expense	16	16.94	12.00
Finance Costs (Interest)		5.34	9.26
Depreciation and Amortisation Expense		23.29	19.94
Other expenses	17	23.20	21.00
<b>Total Expenses</b>		<b>68.77</b>	<b>62.20</b>
<b>III. Loss for the year</b>		<b>(68.62)</b>	<b>(60.09)</b>
<b>IV. Earnings per equity share of face value of Rs. 10 each</b>			
i. Basic (in Rupees)	21	(0.28)	(0.45)
ii. Diluted (in Rupees)	21	(0.28)	(0.45)
<b>Significant Accounting Policies</b>	1		
<b>Notes to the Financial statements</b>	2 - 27		

As per our Report of even date

**For Chaturvedi & Shah**  
Chartered Accountants  
Firm Regn No: 101720W

**R.Koria**  
Partner  
Membership No: 035629

Place: Mumbai  
Date: April 14, 2015

For and on behalf of the Board

**Murlidhara Kadaba**  
Director  
DIN: 01435701  
Place: Bangalore

**D Sathish Kumar**  
Chief Financial Officer  
PAN: ANXPS2725A  
Place: Mumbai  
Date: April 14, 2015

**Bharat Goenka**  
Director  
DIN: 00030498  
Place: Bangalore

**Thrivani Shetty**  
Company Secretary  
Membership No: A30012  
Place: Mumbai

**Raj Ahuja**  
Director  
DIN: 01693647  
Place: Bangalore

## Cash Flow Statement for the year 2014-15

	2014-15	(Rs. in lakhs) 2013-14
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net Loss before tax as per Statement of Profit and Loss	(68.62)	(60.09)
Adjusted for		
Depreciation & Amortisation Expense	23.29	19.94
Loss on sale of Assets (Net)	-	4.78
Profit on Sale of Current Investments (Net)	-	(1.53)
Fees for increase in Authorised Capital	-	9.80
Interest and Finance charges	5.34	9.26
	<u>28.63</u>	<u>42.25</u>
<b>Operating Loss before Working Capital Changes</b>	<b>(39.99)</b>	<b>(17.84)</b>
Adjusted for :		
Trade and Other Receivables	(53.75)	(36.36)
Trade and Other Payables	36.10	15.64
	<u>(17.65)</u>	<u>(20.72)</u>
<b>Cash Used in Operations</b>	<b>(57.64)</b>	<b>(38.56)</b>
(Taxes paid)/Refund (net)	0.88	-
Net Cash used in Operating Activities (A)	<u>(56.76)</u>	<u>(38.56)</u>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of Fixed Assets (Including movement in Intangible Assets Under Development)	(1,872.10)	(1,441.23)
Interest Income	1.76	-
Sale of Assets	-	12.33
Purchase of Investments	-	(239.00)
Sale of Investments	-	239.00
Fixed Deposit / Margin money with Banks	(40.00)	-
Net Cash used in Investing Activities (B)	<u>(1,910.34)</u>	<u>(1,428.90)</u>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds from Issue of Equity Share Capital	200.00	1,300.00
Fees for increase in authorised capital	-	(9.80)
Proceeds from Long Term Borrowings	1,797.95	49.00
Repayment of Long Term Borrowings	(32.97)	(39.47)
Interest and Finance Charges Paid	(11.25)	(13.46)
Net Cash from Financing Activities (C)	<u>1,953.73</u>	<u>1,286.27</u>
<b>Net increase/(decrease) in cash and cash equivalents (A+B+C)</b>	<b>(13.37)</b>	<b>(181.19)</b>
<b>Opening Balance of Cash and Cash Equivalents</b>	<b>43.69</b>	<b>224.88</b>
<b>Closing Balance of Cash and Cash Equivalents</b>	<u><u>30.32</u></u>	<u><u>43.69</u></u>

As per our Report of even date

For and on behalf of the Board

**For Chaturvedi & Shah**  
Chartered Accountants  
Firm Regn No: 101720W

**Murlidhara Kadaba**  
Director  
DIN: 01435701  
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Date: April 14, 2015

**Thriveni Shetty**  
Company Secretary  
Membership No: A30012  
Place: Mumbai

Place: Mumbai  
Date: April 14, 2015

## Notes on Financial Statements for the period ended 31st March, 2015

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### 1. Significant Accounting Policies

#### A. Basis of Preparation of Financial Statements

These financial statements have been prepared to comply with Accounting Principles Generally accepted in India (Indian GAAP), the Accounting Standards notified under the relevant provisions of the Companies Act, 2013.

The financial statements are prepared on accrual basis under the historical cost convention. The financial statements are presented in Indian rupees rounded off to the nearest rupees in lakhs.

#### B. Use of Estimates

The preparation of financial statements in conformity with Indian GAAP requires judgements, estimates and assumptions to be made that affect the reported amount of assets and liabilities, disclosure of contingent liabilities on the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Difference between the actual results and estimates are recognised in the period in which the results are known/materialised.

#### C. Fixed Assets

##### (i) Tangible assets

Tangible Assets are stated at cost net of recoverable taxes, trade discounts and rebates less accumulated depreciation and impairment loss, if any. The cost of tangible assets comprises its purchase price, borrowing cost and any cost directly attributable to bringing the asset to its working condition for its intended use, net charges on foreign exchange contracts and adjustments arising from exchange rate variations attributable to the assets.

Subsequent expenditures related to an item of tangible asset are added to its book value only if they increase the future benefits from the existing asset beyond its previously assessed standard of performance.

Projects under which assets are not ready for their intended use are shown as Capital Work-in-Progress.

##### (ii) Intangible assets

Intangible Assets are stated at cost of acquisition net of recoverable taxes less accumulated amortisation and impairment loss, if any. The cost comprises purchase price, borrowing costs, and any cost directly attributable to bringing the asset to its working condition for the intended use and net charges on foreign exchange contracts and adjustments arising from exchange rate variations attributable to the intangible assets.

#### D. Depreciation

##### (i) Tangible Assets

Depreciation on fixed assets is provided on straight line method over their useful life and in the manner prescribed in Schedule II to the Companies Act, 2013.

##### (ii) Intangible Assets

Softwares are amortised over a period of 5 years.

#### E. Impairment

An asset is treated as impaired when the carrying cost of asset exceeds its recoverable value. An impairment loss is charged to the Statement of Profit and Loss in the year in which an asset is identified as impaired. The impairment loss recognised in prior accounting period is reversed if there has been a change in the estimate of recoverable amount.

#### F. Foreign Currency Transactions

(i) Transactions denominated in foreign currency are normally recorded at the exchange rate prevailing at the time of transaction or that approximates the actual rate at the date of the transaction.

(ii) Monetary items denominated in foreign currency at the year end are restated at the year end rates. In case of items which are covered by forward exchange contracts, the difference between the year end rate and rate on the date of the contract is recognized as exchange difference and the premium paid on forward contracts is recognized over the life of the contract.

(iii) Non monetary foreign currency items are carried at cost.

(iv) Any income or expense on account of exchange difference either on settlement or on translation is recognized in the Statement of Profit and Loss except in case of long term liabilities, where they relate to acquisition of fixed assets, in which case they are adjusted to the carrying cost of such assets.

## Notes on Financial Statements for the period ended 31st March, 2015

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### G. Investments

Current Investments are carried at lower of cost and quoted / fair value, computed category wise. Long term investments are stated at cost. Provision for diminution in the value of long-term investments is made only if such a decline is other than temporary.

### H. Revenue Recognition

- (i) Revenue from services is recognized only when risks and rewards are transferred to the customer, it can be reliably measured and it is reasonable to expect ultimate collection as and when services are provided. The revenue is recognised net of discounts and recoverable taxes.
- (ii) Interest income is recognised on time proportion basis taking into account the amount outstanding and rate applicable.
- (iii) Dividend income is recognized when right to receive payment is established.

### I. Employee benefits

#### (i) Short term employee benefits

The undiscounted amount of short term employee benefits expected to be paid in exchange for the services rendered by employees are recognized as an expense during the period when employee renders service. These benefits include performance incentive and compensated absences.

#### (ii) Post -employment benefits

##### Defined Contribution Plans

A defined contribution plan is a post-employment benefit plan under which the Company pays specified contributions. The Company makes specified monthly contributions towards Provident Fund and Pension Scheme. The Company's contribution is recognised as an expense in the Statement of Profit and Loss during the period in which the employee renders the related service.

##### Defined Benefit Plans

The liability in respect of defined benefit plans and other post-employment benefits is calculated using the Projected Unit Credit Method and spread over the period during which the benefit is expected to be derived from employees' services.

Actuarial gains and losses in respect of post-employment and other long term benefits are charged to the Statement of Profit and Loss.

### J. Borrowing Costs

Borrowing costs that are attributable to the acquisition or construction of qualifying assets are capitalized as part of the cost of such assets. A qualifying asset is one that necessarily takes substantial period of time to get ready for its intended use. All other borrowing costs are charged to the Statement of Profit and Loss in the period in which they are incurred.

### K. Provisions, Contingent Liabilities and Contingent Assets

Provision is recognised in the accounts when there is a present obligation as a result of past event(s) and it is probable that an outflow of resources will be required to settle the obligation and a reliable estimate can be made. Provisions are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the reporting date. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates.

Contingent liabilities are disclosed unless the possibility of outflow of resources is remote.

Contingent assets are neither recognised nor disclosed in the financial statements.

### L. Income taxes

Tax expense comprises of current tax and deferred tax. Current tax is measured at the amount expected to be paid to the tax authorities, using the applicable tax rates. Deferred income tax reflect the current period timing differences between taxable income and accounting income for the period and reversal of timing differences of earlier years/period. Deferred tax assets are recognised only to the extent that there is a reasonable certainty that sufficient future income will be available except that deferred tax assets, in case there are unabsorbed depreciation or losses, are recognised if there is virtual certainty that sufficient future taxable income will be available to realise the same.

Deferred tax assets and liabilities are measured using the tax rates and tax law that have been enacted or substantively enacted by the Balance Sheet date.



## Notes on Financial Statements for the period ended 31st March, 2015

		(Rs. in lakhs)	
		As at	As at
		31st March, 2015	31st March, 2014
<b>2. Share Capital</b>			
<b>Authorised Share Capital :</b>			
2,50,00,000 Equity Shares of Rs.10 each		<b>2,500.00</b>	2,500.00
(2,50,00,000)			
<b>TOTAL</b>		<b>2,500.00</b>	2,500.00
<b>Issued, Subscribed and Paid up :</b>			
2,50,00,000 Equity Shares of Rs.10 each fully paid up		<b>2,500.00</b>	2,300.00
(2,30,00,000)			
<b>TOTAL</b>		<b>2,500.00</b>	2,300.00

2.1 Out of the above, 1,80,00,000 (Previous Year 1,65,60,000) equity shares of Rs. 10 each fully paid up are held by Reliance Industrial Investments and Holdings Limited, the holding company including those held with its nominees and 70,00,000 (Previous Year 64,40,000) equity shares of Rs. 10 each fully paid up are held by Shri Kushal C Kumar.

**2.2 Terms/rights attached to equity shares :**

The company has only one class of equity shares having a par value of Rs 10 per share. Each holder of equity shares is entitled to one vote per share.

In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts in proportion to the number of equity shares held by them.

**2.3 Reconciliation of number of shares outstanding at the beginning and at the end of the year :**

Particulars	Equity Shares			
	2014-15		2013-14	
	No. of Shares	Rs. in lakhs	No. of Shares	Rs. in lakhs
No. of shares at the beginning of the year	<b>2,30,00,000</b>	<b>2,300.00</b>	1,00,00,000	1,000.00
Add: Equity shares issued during the year	<b>20,00,000</b>	<b>200.00</b>	1,30,00,000	1,300.00
No. of shares at the end of the year	<b>2,50,00,000</b>	<b>2,500.00</b>	2,30,00,000	2,300.00

**2.4 Details of Shareholders holding more than 5% shares in the company including those held by holding company :**

Particulars of Shareholders	Equity Shares			
	As at 31st March, 2015		As at 31st March, 2014	
	No. of Shares	% holding	No. of Shares	% holding
Reliance Industrial Investments and Holdings Limited (Holding Company) including those held with its nominees	<b>1,80,00,000</b>	<b>72%</b>	1,65,60,000	72%
Shri Kushal C Kumar	<b>70,00,000</b>	<b>28%</b>	64,40,000	28%
<b>TOTAL</b>	<b>2,50,00,000</b>	<b>100%</b>	2,30,00,000	100%

## Notes on Financial Statements for the period ended 31st March, 2015

		(Rs. in lakhs)	
3. Reserves and Surplus		As at 31st March, 2015	As at 31st March, 2014
<b>Surplus from the Statement of Profit and Loss</b>			
As per last Balance Sheet	(148.91)	(88.82)	
Add: Loss for the year	<u>(68.62)</u>	<u>(60.09)</u>	
	<u>(217.53)</u>		(148.91)
<b>TOTAL</b>	<u><u>(217.53)</u></u>		<u><u>(148.91)</u></u>

		(Rs. in lakhs)	
4. Long Term Borrowings		As at 31st March, 2015	As at 31st March, 2014
(I) Secured			
(a) Term Loans from Banks	<u>44.85</u>	<u>68.14</u>	
	<b>44.85</b>		68.14
(II) Unsecured			
(a) Loans from related parties:			
Loan from Holding company	1,785.00	-	
Loan from Fellow subsidiaries	<u>42.00</u>	<u>42.00</u>	
	<u>1,827.00</u>		42.00
<b>TOTAL</b>	<u><u>1,871.85</u></u>		<u><u>110.14</u></u>

- 4.1 Secured Term Loans from Banks referred to in 4(I)(a) above including the current maturities are secured by hypothecation of specific vehicles and repayable over a period of 3 to 5 years from their respective date of disbursement.
- 4.2 Unsecured loan from related parties represents loan from Reliance Strategic Investments Limited [Fellow subsidiary] (also in previous year) repayable on 30th November, 2016 and from Reliance Industrial Investments and Holdings Limited [Holding company] repayable on 30th June, 2017.
- 4.3 Loan from Holding company of Rs. 1785 Lakhs carries interest of 11.50% p.a. and loan from Fellow subsidiary carries no interest.

		(Rs. in lakhs)	
5. Long Term Provisions		As at 31st March, 2015	As at 31st March, 2014
(a) Provision for employee benefits	<u>24.84</u>	<u>12.64</u>	
<b>TOTAL</b>	<u><u>24.84</u></u>		<u><u>12.64</u></u>

## Notes on Financial Statements for the period ended 31st March, 2015

	(Rs. in lakhs)	
	As at 31st March, 2015	As at 31st March, 2014
<b>6. Other Current Liabilities</b>		
(a) Current maturities of long term debt	<b>33.70</b>	30.43
(b) Interest accrued but not due on borrowings	<b>79.74</b>	0.73
(c) Creditors for capital expenditure	<b>69.74</b>	21.64
(d) Other Payables	<b>35.20</b>	13.30
<b>TOTAL</b>	<b>218.38</b>	66.10

6.1 Other payables include statutory and employee dues

6.2 Disclosures relating to amount unpaid as at year end together with interest paid/ payable to Micro, Small and Medium Enterprises under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act) have been determined based on the available information with the company and are as under:

	(Rs. in lakhs)	
	As at 31st March, 2015	As at 31st March, 2014
1. Principal amount due and remaining unpaid	-	-
2. Interest due thereon	-	-
3. Interest paid by the Company on all delayed payments under the MSMED Act.	-	-
4. Payment made beyond the appointed day during the year	-	-
5. Interest due and payable for the period of delay other than (3) above	-	-
6. Interest accrued and remaining unpaid	-	-
7. Further Interest remaining due and payable in succeeding years	-	-

	(Rs. in lakhs)	
	As at 31st March, 2015	As at 31st March, 2014
<b>7. Short Term Provisions</b>		
(a) Provisions for employee benefits	<b>8.89</b>	6.90
<b>TOTAL</b>	<b>8.89</b>	6.90

## Notes on Financial Statements for the period ended 31st March, 2015

### 8. TANGIBLE ASSETS

(Rs. in Lakhs)

Description	Gross Block				Depreciation				Net Block	
	As at 01-04-2014	Additions	Deductions/ Adjustments	As at 31-03-2015	As at 01-04-2014	For the Year	Deductions/ Adjustments	Upto 31-03-2015	As at 31-03-2015	As at 31-03-2014
<b>OWN ASSETS :</b>										
R&D Equipments	29.90	2.56	-	<b>32.46</b>	4.83	5.12	-	<b>9.95</b>	<b>22.51</b>	25.07
Office Equipments	29.33	5.12	-	<b>34.45</b>	6.78	15.13	-	<b>21.91</b>	<b>12.54</b>	22.55
Furniture & Fixtures	0.80	-	-	<b>0.80</b>	0.06	0.08	-	<b>0.14</b>	<b>0.66</b>	0.74
Vehicles	151.77	15.41	-	<b>167.18</b>	39.54	16.17	-	<b>55.71</b>	<b>111.47</b>	112.23
<b>Total</b>	<b>211.80</b>	<b>23.09</b>	-	<b>234.89</b>	<b>51.21</b>	<b>36.50</b>	-	<b>87.71</b>	<b>147.18</b>	<b>160.59</b>
<b>Previous Year Figures</b>	161.09	75.76	25.05	211.80	20.30	38.85	7.94	51.21	160.59	

### 9. INTANGIBLE ASSETS

(Rs. in Lakhs)

Description	Gross Block				Amortisation				Net Block	
	As at 01-04-2014	Additions	Deductions/ Adjustments	As at 31-03-2015	As at 01-04-2014	For the Year	Deductions/ Adjustments	Upto 31-03-2015	As at 31-03-2015	As at 31-03-2014
Software*	-	2.20	-	<b>2.20</b>	-	0.16	-	<b>0.16</b>	<b>2.04</b>	-
<b>Total</b>	-	<b>2.20</b>	-	<b>2.20</b>	-	<b>0.16</b>	-	<b>0.16</b>	<b>2.04</b>	-
<b>Previous Year Figures</b>	-	-	-	-	-	-	-	-	-	-

\* Other than internally generated

## Notes on Financial Statements for the period ended 31st March, 2015

### 10. Intangible Assets under Development:

10.1 The company is involved in research, design and development of cost effective Point of Sale Terminal hardware portfolio of payment devices and embedded software and device centric application platform. The expenditure incurred for the said activities are classified as "Project Development Expenditure" forming part of Intangible Assets under Development.

10.2 Intangible Assets under Development comprises of Rs. 3974.51 lakhs (Previous Year Rs. 2050.26 lakhs) on account of Project Development Expenditure.

#### Project Development Expenditure as detailed below:

	2014-15	(Rs. in Lakhs) 2013-14
Opening Balance	2,050.26	640.00
Add :		
Salaries and Wages	969.44	727.48
Contribution to Provident and other Funds	36.77	27.19
Staff Welfare Expenses	31.15	21.84
Electronics and Consumables used for Project	204.16	194.06
Rent	5.19	5.26
Travelling Expenses	192.19	93.86
Professional Fees	385.33	311.77
Depreciation	13.37	18.91
Other Expenses	3.95	5.66
Interest	84.92	4.23
Less:		
Interest on fixed deposit	(2.22)	-
<b>Closing Balance</b>	<b>3,974.51</b>	<b>2,050.26</b>

	As at 31st March, 2015	(Rs. in lakhs) As at 31st March, 2014
<b>11. Long Term Loans and Advances</b> (Unsecured and Considered Good)		
(a) Capital Advances	66.73	-
(b) Advance Income Tax and TDS	0.18	1.06
(c) Security Deposits	0.13	0.13
<b>TOTAL</b>	<b>67.04</b>	<b>1.19</b>

	As at 31st March, 2015	(Rs. in lakhs) As at 31st March, 2014
<b>12. Current Investments</b> (Carried at lower of cost and quoted / fair value)		
<b>Other Investments</b>		
<b>Investments in Mutual Funds - Unquoted - fully paid up</b>		
81 (Previous year 81) units of SBI-Premier Liquid Fund - Regular Plan Growth Option (Face value of Rs. 1000 each)	1.53	1.53
<b>TOTAL</b>	<b>1.53</b>	<b>1.53</b>
	As at	As at
	31st March, 2015	31st March, 2014
Aggregate amount of Unquoted Investments	1.53	1.53

## Notes on Financial Statements for the period ended 31st March, 2015

13. Cash and Bank Balances	(Rs. in lakhs)	
	As at 31st March, 2015	As at 31st March, 2014
<b>Cash and Cash Equivalent</b>		
Balances with Banks in current accounts	30.32	43.69
<b>Other bank balances</b>		
Margin money deposit	40.00	-
<b>TOTAL</b>	<u>70.32</u>	<u>43.69</u>

13.1 Margin Money Deposit held with bank against bank guarantee issued with maturity less than 12 months.

14. Short Term Loans and Advances (Unsecured and Considered Good)	(Rs. in lakhs)	
	As at 31st March, 2015	As at 31st March, 2014
(a) Balance with service tax / VAT Authorities	57.41	48.04
(b) Security Deposits	1.40	3.15
(c) Other Loans and Advances	85.00	38.42
<b>TOTAL</b>	<u>143.81</u>	<u>89.61</u>

14.1 Other Loans and Advances include CENVAT credit pending for credit availment, advance to employees and interest accrued on Fixed Deposit.

15. Other Income	(Rs. in lakhs)	
	2014-15	2013-14
Interest Income	0.15	0.58
Profit on sale of Current Investments	-	1.53
<b>TOTAL</b>	<u>0.15</u>	<u>2.11</u>

16. Employee Benefits Expense (Refer Note 19)	(Rs. in lakhs)	
	2014-15	2013-14
(i) Salaries and Wages	13.10	9.30
(ii) Contribution to Provident and Other Funds	0.32	0.23
(iii) Staff Welfare Expenses	3.52	2.47
<b>TOTAL</b>	<u>16.94</u>	<u>12.00</u>

## Notes on Financial Statements for the period ended 31st March, 2015

	2014-15	(Rs. in lakhs) 2013-14
<b>17. Other expenses</b>		
Repairs & Maintenance - Others	6.91	2.16
Insurance	1.92	-
Rates & taxes	1.21	10.35
Professional Fees	9.47	1.10
Payment to Auditors	1.10	0.75
Loss on sale of fixed assets	-	4.78
Printing & Stationery	1.82	1.24
General Expenses	0.77	0.62
<b>TOTAL</b>	<b>23.20</b>	<b>21.00</b>
<b>17.1 Payment to Auditors</b>		
Audit Fees	1.00	0.75
Certification Fees	0.10	-
	<b>1.10</b>	<b>0.75</b>
<b>18. Contingent Liabilities and Commitments</b>		(Rs. In Lakhs)
(To the extent not provided for)	As at	As at
	<b>31st March, 2015</b>	31st March, 2014
<b>(a) Contingent Liabilities</b>		
(i) Bank Guarantee	40.00	-
<b>(b) Commitments</b>		
(i) Estimated amount of contracts remaining to be executed on Capital account not provided for	72.80	0.93
<b>19. As per Accounting Standard 15 "Employee benefits" the disclosures as defined in the Accounting Standards are given below:</b>		
<b>Defined Contribution Plans</b>		
Contribution to Defined Contribution Plans, recognised as expenses for the year is as under:		(Rs. In Lakhs)
	2014-15	2013-14
Employer's Contribution to Provident Fund	18.05	17.45
Employer's Contribution to Pension Scheme	6.31	3.94

## Notes on Financial Statements for the period ended 31st March, 2015

### Defined Benefit Plan

#### I) Reconciliation of opening and closing balances of Defined Benefit Obligation (Rs. In Lakhs)

	Gratuity (Unfunded)		Compensated Absences (Unfunded)	
	2014-15	2013-14	2014-15	2013-14
Defined Benefit obligation at beginning of year	12.85	6.82	6.69	3.90
Current Service Cost	8.88	8.41	2.74	2.54
Interest Cost	1.02	0.55	0.53	0.31
Actuarial (gain) / loss	2.83	(2.93)	(0.96)	0.09
Benefits paid	-	-	(0.85)	(0.15)
Defined Benefit obligation at year end	25.58	12.85	8.15	6.69

#### II) Reconciliation of fair value of assets and obligations (Rs. In Lakhs)

	Gratuity (Unfunded)		Compensated Absences (Unfunded)	
	As at 31st March, 2015	As at 31st March, 2014	As at 31st March, 2015	As at 31st March, 2014
Present Value of Obligation	25.58	12.85	8.15	6.69
Amount recognised in Balance sheet	25.58	12.85	8.15	6.69

#### III) Expenses recognised during the year (Rs. In Lakhs)

	Gratuity (Unfunded)		Compensated Absences (Unfunded)	
	2014-15	2013-14	2014-15	2013-14
Current Service Cost	8.88	8.41	2.74	2.54
Interest Cost	1.02	0.55	0.53	0.31
Actuarial (gain) / loss	2.83	(2.93)	(0.96)	0.09
<b>Net Cost</b>	<b>12.73</b>	<b>6.03</b>	<b>2.31</b>	<b>2.94</b>

#### IV) Actuarial assumptions

	Gratuity (Unfunded)		Compensated Absences (Unfunded)	
	2014-15	2013-14	2014-15	2013-14
Mortality Table (LIC)	2006-08 (Ultimate)	2006-08 (Ultimate)	2006-08 (Ultimate)	2006-08 (Ultimate)
Discount Rate (per annum)	8.00%	8.00%	8.00%	8.00%
Rate of escalation in salary (per annum)	6.00%	6.00%	6.00%	6.00%

The estimates of rate of escalation in salary considered in actuarial valuation, take into account inflation, seniority, promotion and other relevant factors including supply and demand in the employment market. The above information is certified by the actuary.



## Notes on Financial Statements for the period ended 31st March, 2015

V) Amounts recognised in current year and previous four years						(Rs in Lakhs)
Particulars	As at 31st March, 2015					
Gratuity	2015	2014	2013	2012	2011	
Defined benefit obligation	25.58	12.85	6.82	-	-	
Fair value of plan assets	-	-	-	-	-	
(Surplus) / Deficit in the plan	25.58	12.85	6.82	-	-	
Actuarial (gain) / loss on plan obligation	2.83	(2.93)	-	-	-	
Actuarial (gain) / loss on plan assets	-	-	-	-	-	

20. Deferred tax assets consist mainly of carried forward loss. As a matter of prudence, the Company has not recognised deferred tax asset in accounts.

### 21. Earnings Per Share (EPS)

	2014-15	2013-14
i. Net Loss after tax as per Statement of Profit and Loss attributable to Equity Shareholders (Rs. In Lakhs)	(68.62)	(60.09)
ii. Weighed Average number of equity shares used as denominator for Calculating EPS	2,45,23,288	1,33,01,370
iii. Basic and Diluted earnings per share (Rs.)	(0.28)	(0.45)
iv. Face Value per equity share (Rs.)	10	10

### 22. Related Party Disclosures

#### (i) List of related parties with whom transactions have taken place and relationship :

Sr.	Name of the Related Party	Relationship
1.	Reliance Industries Limited	Ultimate Holding Company
2.	Reliance Industrial Investments and Holdings Limited	Holding Company
3.	Reliance Strategic Investments Limited	Fellow Subsidiary
4.	Shri Kumar Kushal	Key Managerial Personnel

#### (ii) Transactions during the year with related parties - 2014-15

(Rs. In Lakhs)

Sr. No.	Nature of Transactions (excluding reimbursements)	Holding Company	Fellow Subsidiary	Key Managerial Personnel	Total
1.	Equity Shares issued and allotted	144.00 (936.00)	-	56.00 (364.00)	200.00 (1,300.00)
2.	Unsecured loans taken	1,785.00	-	-	1,785.00
3.	Payment to Key Managerial Personnel	-	-	127.57 (120.00)	127.57 (120.00)
4.	Interest expense	80.11	-	-	80.11
		-	-	-	-
	<b>Balances as at 31st March, 2015</b>				
5.	Share Capital	1,800.00 (1,656.00)	-	700.00 (644.00)	2,500.00 (2,300.00)
6.	Unsecured loan	1,785.00	42.00 (42.00)	-	1,827.00 (42.00)
7.	Interest accrued but not due	79.16	-	-	79.16
		-	-	-	-

Note: Figures in brackets represent previous year's amounts.

## Notes on Financial Statements for the period ended 31st March, 2015

(iii) Disclosure in respect of Major Related Party Transactions during the year 2014-15			(Rs in lakhs)	
Particulars	Relationship	2014-15	2013-14	
<b>1. Equity Shares issued and allotted</b>				
Reliance Industrial Investments and Holdings Limited	Holding company	144.00	936.00	
Shri Kumar Kushal	Key Managerial Personnel	56.00	364.00	
Sub Total		200.00	1,300.00	
<b>2. Unsecured loans taken</b>				
Reliance Industrial Investments and Holdings Limited	Holding company	1,785.00	-	
Sub Total		1,785.00	-	
<b>3. Payment to Key Managerial Personnel</b>				
Shri Kumar Kushal	Key Managerial Personnel	127.57	120.00	
Sub Total		127.57	120.00	
<b>4. Interest expense</b>				
Reliance Industrial Investments and Holdings Limited	Holding company	80.11	-	
Sub Total		80.11	-	
<b>Balances as at 31st March, 2015</b>				
<b>5. Share Capital</b>				
Reliance Industrial Investments and Holdings Limited	Holding company	1,800.00	1,656.00	
Shri Kumar Kushal	Key Managerial Personnel	700.00	644.00	
Sub Total		2,500.00	2,300.00	
<b>6. Unsecured loan</b>				
Reliance Industrial Investments and Holdings Limited	Holding company	1,785.00	-	
Reliance Strategic Investments Limited	Fellow Subsidiary	42.00	42.00	
Sub Total		1,827.00	42.00	
<b>7. Interest accrued but not due</b>				
Reliance Industrial Investments and Holdings Limited	Holding company	79.16	-	
Sub Total		79.16	-	

## Notes on Financial Statements for the period ended 31st March, 2015

<b>23. Value of imports calculated on CIF basis during the Financial Year in respect of :</b>		(Rs in lakhs)
	<b>2014-15</b>	2013-14
i. Capital goods	<b>124.60</b>	98.99
<b>24. Expenditure in foreign currency</b>		(Rs in lakhs)
	<b>2014-15</b>	2013-14
i. Professional Fees	<b>145.25</b>	1.90
ii. Travelling expenses	<b>64.94</b>	7.82
	<b>210.19</b>	9.72

### 25. Segment Reporting

The company is involved in research, design and development of cost effective Point of Sale Terminal hardware portfolio of payment devices and embedded software and device centric application platform. The company has single segment as per the requirements of Accounting Standards 17 for "Segment Reporting" notified by Companies (Accounting Standard) Rules, 2006.

26. Previous year figures have been reworked, regrouped, re-arranged and reclassified wherever necessary to make them comparable with those of current year.

### 27. Details of Loans given, Investment made and Guarantee given covered u/s 186(4) of the Companies Act, 2013

- (i) The company has not given any loans.
- (ii) Investments made by the company as at 31st March, 2015 (Refer note no. 12)
- (iii) The company has not given any Corporate Guarantees.

As per our Report of even date

**For Chaturvedi & Shah**  
Chartered Accountants  
Firm Regn No: 101720W

**R.Koria**  
Partner  
Membership No: 035629

Place: Mumbai  
Date: April 14, 2015

For and on behalf of the Board

**Murlidhara Kadaba**  
Director  
DIN: 01435701  
Place: Bangalore

**D Sathish Kumar**  
Chief Financial Officer  
PAN: ANXPS2725A  
Place: Mumbai  
Date: April 14, 2015

**Bharat Goenka**  
Director  
DIN: 00030498  
Place: Bangalore

**Thriveni Shetty**  
Company Secretary  
Membership No: A30012  
Place: Mumbai

**Raj Ahuja**  
Director  
DIN: 01693647  
Place: Bangalore