



P. MURALI & CO.,

CHARTERED ACCOUNTANTS
6-3-655/2/3, SOMAJIGUDA,
HYDERABAD - 500 082. INDIA

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INDEPENDENT AUDITOR'S REPORT

To the Members of

QFUND TECHNOLOGIES PRIVATE LIMITED

Report on the Financial Statements:

We have audited the accompanying financial statements of QFUND TECHNOLOGIES PRIVATE LIMITED ("the Company"), which comprise the Balance Sheet as at March 31, 2013, and the Statement of Profit and Loss for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements:

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position and financial performance of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

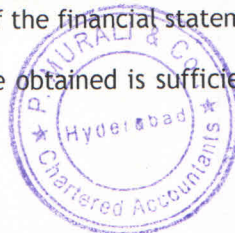
Auditor's Responsibility:

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 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 control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.





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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:

- (a) In the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2013;
And
(b) In the case of the Profit and Loss Account, of the profit for the year ended on that date;

Report on Other Legal and Regulatory Requirements:

1. 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.
2. 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 account as required by law have been kept by the Company so far as appears from our examination of those books
 - c) The Balance Sheet, Statement of Profit and Loss dealt with by this Report are in agreement with the books of account
 - d) In our opinion, the Balance Sheet and Statement of Profit and Loss comply with the Accounting Standards referred to in subsection (3C) of section 211 of the Companies Act, 1956;
 - e) On the basis of written representations received from the directors as on March 31, 2013, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2013, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

PLACE : HYDERABAD
DATE : 30-05-2013

For P. MURALI & CO.,
CHARTERED ACCOUNTANTS
Firm Registration No. 0072575

P. Murali Mohana Rao
Hyderabad

P. MURALI MOHANA RAO
PARTNER
Membership No. 023412



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ANNEXURE TO THE AUDITORS' REPORT

- I. (a) The Company has maintained proper records showing full particulars including quantitative details and situation of Fixed Assets.
- (b) As explained to us, the fixed assets have been physically verified by the management at reasonable intervals and no material discrepancies between the book records and the physical inventory have been noticed on such verification.
- (c) The Company has not disposed off substantial part of the Fixed Assets during the year.
- II. The Company has no inventory. Hence this clause is not applicable.
- III. (a) The Company has not granted any loans, secured or unsecured to Companies, Firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956.
- (b) As the Company has not granted any loans, the Clause of whether the rate of interest & other terms and conditions on which loans have been granted to parties listed in the register maintained under Section 301 prejudicial to the interest of company, is not applicable.
- (c) As no loans are granted by company, the clause of receipt of interest & principal amount from parties, is not applicable to the company.
- (d) No loans have been granted to Companies, Firms and other parties listed in the register U/S 301 of the Companies Act, 1956. Hence, overdue Amount of more than rupees one Lac does not arise and the clause is not Applicable.
- (e) The Company has taken unsecured loans from Companies, Firms, or other parties covered in the register maintained U/s.301 of the Companies Act, 1956 and the balance outstanding as at the year end is Rs 7,57,01,157/-.
- (f) As per the information & explanation given to us and In our opinion, the rate of interest & other terms and conditions on which loans have been taken from parties covered in the register maintained U/s.301 of the Companies Act, 1956 are not prejudicial to the interest of the company.
- (g) As per the information & explanation given to us, as there is no repayment schedule, the clause of repayment of interest & principal amount from parties listed U/s.301 of the Companies Act, 1956 is not applicable.
- IV. In our opinion and according to the information and explanations given to us, there are generally adequate internal control systems commensurate with the size of the company and the nature of its business with regard to purchase of fixed assets and inventories and for sale of products. There is no continuing failure by the company to correct any major weaknesses in internal control.

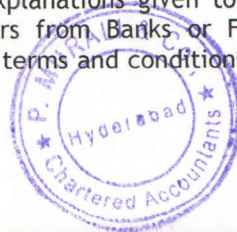




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- V. (a) In our opinion and according to the information and explanation given to us , since no contracts or arrangements referred to in section 301 of the Companies Act, 1956 have been made by the company in respect of any party in the financial year, the entry in the register U/s.301 of the Companies Act, 1956 does not arise.
- (b) According to the information and explanations given to us, as no such contracts or arrangements made by the company, the applicability of the clause of charging the reasonable price having regard to the prevailing market prices at the relevant time does not arise.
- VI. The Company has not accepted any deposits from the public and hence the applicability of the clause of directives issued by the Reserve Bank of India and provisions of section 58A, 58AA or any other relevant provisions of the Act and the rules framed there under does not arise. As per information and explanations given to us no order from the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any Court or any other Tribunal has been received by the Company.
- VII. In our opinion, the company is having internal audit system, commensurate with its size and nature of its business.
- VIII. In respect of the company, the Central Government has not prescribed maintenance of cost records under clause (d) of subsection (1) of section 209 of the Companies Act, 1956.
- IX. (a) The Company is regular in depositing statutory dues in respect of Income Tax and any other statutory dues with the appropriate authorities and at the end of last financial year there were no amounts outstanding which were due for more than 6 months from the date they became payable.
- (b) According to the information and explanations given to us, no undisputed amounts are payable in respect of Income Tax and any other statutory dues as at the end of the period.
- X. The Company has been registered for a period of not less than 5 years, and the company has no accumulated losses at the end of the financial year and the company has not incurred cash losses in this financial year and in the immediately preceding financial year.
- XI. According to information and explanations given to us, the company has not taken any loans from banks or financial Institutions. Hence this clause is not applicable to the company.
- XII. According to the information and explanations given to us, the Company has not granted any loans or advances on the basis of security by way of pledge of shares, debentures and other securities and hence the applicability of the clause regarding maintenance of adequate documents in respect of loans does not arise.
- XIII. This clause is not applicable to this Company as the Company is not covered by the provisions of special statute applicable to Chit Fund in respect of Nidhi/Mutual Benefit Fund/Societies.
- XIV. According to the information and explanations given to us, the company is not dealing or trading in shares, securities, Debentures and other investments and hence the provisions of clause 4(xiv) of the Companies (Auditor's Report) Order 2003, are not applicable to the Company.
- XV. According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from Banks or Financial Institutions, and hence the applicability of this clause regarding terms and conditions which are prejudicial to the interest of the company .





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- XVI. According to the information and explanations given to us, the company has not obtained any Term Loans; hence application of the same does not arise.
- XVII. According to the information and explanations given to us no funds are raised by the Company on short-term basis. Hence the application of short term funds for long term investment does not arise.
- XVIII. According to the information and explanations given to us, the Company has not made any preferential allotment of Shares to parties and Companies covered in the Register maintained under section 301 of the Companies Act, 1956 and hence the applicability of the clause regarding the price at which shares have been issued and whether the same is prejudicial to the interest of the Company does not arise.
- XIX. According to the information and explanations given to us, the company does not have any debentures and hence the applicability of the clause regarding the creation of security or charge in respect of debentures issued does not arise.
- XX. According to information and explanations given to us, the company has not raised money by way of public issues during the year; hence the clause regarding the disclosure by the management on the end use of money raised by public issue is not applicable.
- XXI. According to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the year under audit.

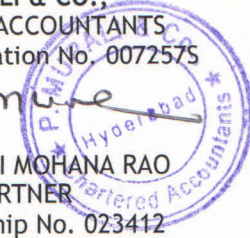
PLACE : HYDERABAD
DATE : 30-05-2013

For P. MURALI & CO.,
CHARTERED ACCOUNTANTS
Firm Registration No. 0072575

P. Murali Mohana Rao

P. MURALI MOHANA RAO
PARTNER

Membership No. 023412



QFUND TECHNOLOGIES PRIVATE LIMITED

Balance Sheet as at 31st March, 2013

Particulars	Note No	As on 31/03/2013	As on 31/03/2012
		Rs.	Rs.
I. EQUITY AND LIABILITIES			
(1) Shareholder's Funds			
(a) Share Capital	1	1,00,000	1,00,000
(b) Reserves and Surplus	2	54,92,289	35,92,654
(2) Non-Current Liabilities			
(a) Long-term borrowings	3	7,57,01,157	10,12,43,803
(b) Defferred tax liabilities	4	28,12,735	19,95,772
(c) Long term provisions	5	3,14,082	2,14,681
(3) Current Liabilities			
(a) Short-term borrowings	6	-	47,95,367
(b) Trade payables	7	5,82,144	11,41,374
(c) Short-term provisions	8	28,58,532	2,15,48,123
Total		8,78,60,940	13,46,31,774
II.Assets			
(1) Non-current assets			
(a) Fixed assets			
(i) Tangible assets	9	63,06,109	55,34,883
(ii) Intangible assets	10	1,91,65,800	2,18,98,454
(b) Other non-current assets	11	25,968	25,968
(2) Current assets			
(a) Trade receivables	12	3,71,81,868	5,44,33,111
(b) Cash and cash equivalents	13	18,87,758	3,25,179
(c) Short-term loans and advances	14	2,32,93,436	5,24,14,180
Total		8,78,60,940	13,46,31,774

AS PER OUR REPORT OF EVEN DATE
for P MURALI & CO.,
CHARTERED ACCOUNTANTS
FIRM REGISTRATION NO.: 0072575

P. MURALI MOHANA RAO
PARTNER
MEMBERSHIP NO.: 023412



FOR AND ON BEHALF OF THE BOARD
for QFUND TECHNOLOGIES PVT LTD

G SANTI PRIYA
DIRECTOR

ANIL KUMAR P
DIRECTOR

PLACE : HYDERABAD
DATE : 30-05-2013

QFUND TECHNOLOGIES PRIVATE LIMITED

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

Particulars	Note No	As on 31/03/2013	As on 31/03/2012
		Rs.	Rs.
I. Revenue from operations	15	4,49,18,566	7,56,33,491
II. Other Income	16	24,50,437	
III. Total Revenue		4,73,69,003	7,56,33,491
<u>IV. Expenses:</u>			
Employee benefit expense	17	1,52,62,828	1,90,48,925
Other operating expenses	18	49,63,616	1,31,63,905
Administrative Expenses	19	1,98,62,600	3,50,05,889
Financial costs	20	1,12,428	1,54,938
Depreciation and amortization expense	9 & 10	38,11,427	24,82,941
IV. Total Expenses		4,40,12,899	6,98,56,599
V. Profit before exceptional and extraordinary items and tax (III - IV)		33,56,103	57,76,892
VI. Exceptional Items		-	-
VII. Profit before extraordinary items and tax (V - VI)		33,56,103	57,76,892
VIII. Extraordinary Items		-	-
IX. Profit before tax (VII - VIII)		33,56,103	57,76,892
X. Tax expense:			
(1) Current tax		6,39,505	10,71,036
(2) Deferred tax		8,16,963	13,40,985
XI. Profit/(Loss) for the period (IX - X)		18,99,635	33,64,871
XII. Earning per equity share:			
(1) Basic		19.00	33.65
(2) Diluted		19.00	33.65

AS PER OUR REPORT OF EVEN DATE

for P MURALI & CO.,

CHARTERED ACCOUNTANTS

FIRM REGISTRATION NO.: 0072575

P. Murali Mohana Rao

P.MURALI MOHANA RAO
PARTNER

MEMBERSHIP NO.: 023412

PLACE : HYDERABAD

DATE : 30-05-2013

FOR AND ON BEHALF OF THE BOARD
for QFUND TECHNOLOGIES PVT LTD

G Santhi Priya
G SANTHI PRIYA
DIRECTOR

Anil Kumar P
ANIL KUMAR P
DIRECTOR

QFUND TECHNOLOGIES PRIVATE LIMITED

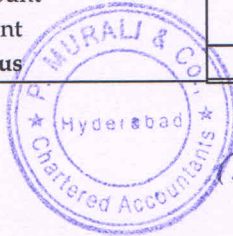
Notes to Financial Statements for the year ended March 31, 2013

NOTE NO. 1 : SHARE CAPITAL

S.No.	Particulars	As on 31/03/2013	As on 31/03/2012
		Rs.	Rs.
I	Equity Share Capital		
	(a) Authorised		
	(No. of Shares 10000 - Current Year)	1,00,000	-
	(No. of Shares 10000 - Previous Year)	-	1,00,000
	(b) Issued		
(No. of Shares 10000 - Current Year)	1,00,000	-	
(No. of Shares 10000 - Previous Year)	-	1,00,000	
(c) Subscribed & Fully Paid Up			
(No. of Shares 10000 - Current Year)	1,00,000	-	
(No. of Shares 10000 - Previous Year)	-	1,00,000	
(d) Par Value per share Rs. 10/-			
Total Equity Share capital	1,00,000	1,00,000	
II	<u>A Reconciliation of the number of shares outstanding at the beginning and at the end of the reporting period:</u>	No.Of Shares	
	Equity Shares of Rs.10Each, Fully paid up		
	At the Beginning	10,000	10,000
	Issued during the year - Cash Issue	-	-
	At the end	10,000	10,000
III	<u>Details of Shareholder holding more than 5% shares of the company:</u>	% of Share Holding	
	Equity Shares of Rs.10/- each Held By		
	Virinchi Technologies Litd - No. Of Shares (C.Y) 10000, (P.Y) 10000	100.00%	100.00%

NOTE NO. 2 : RESERVES AND SURPLUS

S. No.	Particulars	As on 31/03/2013	As on 31/03/2012
		Rs.	Rs.
I	RESERVES AND SURPLUS		
	a) Surpuls :		
	i) Opening Balance - Profit and Loss Account	35,92,654	2,27,783
	Add: Transfer from Profit & Loss Account	18,99,635	33,64,871
	Total Reserves and Surplus	54,92,289	35,92,654



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NOTE NO. 3 : LONG TERM BORROWINGS

S.No.	Particulars	As on 31/03/2013	As on 31/03/2012
		Rs.	Rs.
I	a) Loans and advances from Related Parties Unsecured - Virinchi Technologies Limited	7,57,01,157	10,12,43,803
	Total long term borrowings	7,57,01,157	10,12,43,803

NOTE NO. 4 : DEFERRED TAX LIABILITY (NET)

S. No.	Particulars	As on 31/03/2013	As on 31/03/2012
		Rs.	Rs.
I	Opening Deferred tax Liability	19,95,772	6,54,787
	Add: Deferred Tax Liability for the year (Due to SLM and WDV Difference)	8,16,963	13,40,985
	Deferred Tax Liability/ (Asset) - Net	28,12,735	19,95,772

NOTE NO. 5 : LONG TERM PROVISIONS

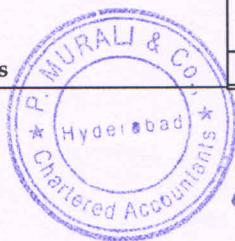
S. No.	Particulars	As on 31/03/2013	As on 31/03/2012
		Rs.	Rs.
I	a) Provisions for employee benefits - Provision for Gratuity	3,14,082	2,14,681
	Total Long Term Provisions	3,14,082	2,14,681

NOTE NO. 6 : SHORT TERM BORROWINGS.

S. No.	Particulars	As on 31/03/2013	As on 31/03/2012
		Rs.	Rs.
I	Short term Borrowings Un Secured: - Others	-	30,96,545
	- Virinchi Technologies Limited	-	16,98,822
	Total short term borrowings	-	47,95,367

NOTE NO. 7 : TRADE PAYABLES

S. No.	Particulars	As on 31/03/2013	As on 31/03/2012
		Rs.	Rs.
I	a) Trade Payables	5,82,144	11,41,374
	Total Trade Payables	5,82,144	11,41,374



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NOTE NO. 8 : SHORT TERM PROVISIONS

S. No.	Particulars	As on 31/03/2013	As on 31/03/2012
		Rs.	Rs.
I	a) Provisions for employee benefits		
	PF Payable	68,634	-
	Salaries Payable	5,16,674	9,26,665
	b) Others		
	(i) Statutory Payments		
	Income Tax Payable	6,39,505	10,71,036
	TDS Payable	16,05,629	7,22,332
(ii) Provision for Expenses	28,090	1,88,28,090	
	Total short term provisions	28,58,532	2,15,48,123

NOTE NO.11 : OTHER NON - CURRENT ASSETS

S. No.	Particulars	As on 31/03/2013	As on 31/03/2012
		Rs.	Rs.
I	Unamortised Expenses	25,968	25,968
	Total non - current assets(net)	25,968	25,968

NOTE NO. 12 : TRADE RECEIVABLES

S. No.	Particulars	As on 31/03/2013	As on 31/03/2012
		Rs.	Rs.
I	Outstanding for a period exceeding six months from the date they are due for payment		
	Unsecured, Considered Good	-	-
	Other Receivables:		
	Unsecured, Considered Good	3,71,81,868	5,44,33,111
	Total Trade Receivables	3,71,81,868	5,44,33,111

NOTE NO. 13 : CASH AND BANK BALANCES

S. No.	Particulars	As on 31/03/2013	As on 31/03/2012
		Rs.	Rs.
I	Cash and cash equivalents :		
	a) Balances with banks :		
	1) On Current Accounts	15,58,505	37,741
	b) Cash on hand	3,29,253	2,87,438
	Total Cash and Cash Equivalents	18,87,758	3,25,179

NOTE NO. 14 : SHORT TERM LOANS AND ADVANCES

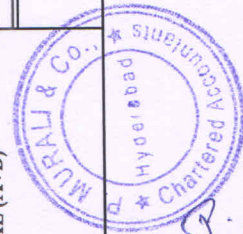
S. No.	Particulars	As on 31/03/2013	As on 31/03/2012
		Rs.	Rs.
I	Short - Term loans and advances:		
	a) Security Deposit		
	Unsecured	3,78,288	24,14,808
	b) Other loans And advances		
	Unsecured	2,29,15,148	4,99,99,372
	Total short term loans & advances(net)	2,32,93,436	5,24,14,180



QFUND TECHNOLOGIES PRIVATE LIMITED

Note Number : 9 & 10
 FIXED ASSETS AS ON 31st MARCH, 2013

Sl. No.	Particulars	Gross Block			Depreciation/Amortization			Net Block as on 31.03.2013	Net Block as on 31.03.2012
		As on 01.04.2012	Additions during the year	As on 31.03.2013	Dep. As on 01.04.2012	Dep. For the year 2012-2013	Total Depreciation		
I	TANGIBLE ASSETS								
	OFFICE EQUIPMENT	44,316		44,316	3,302	2,105	5,407	38,909	41,014
	COMPUTER HARDWARE	60,88,220	-	60,88,220	6,20,737	9,86,900	16,07,637	44,80,583	54,67,483
	FURNITURE	29,382	18,50,000	18,79,382	2,996	89,769	92,765	17,86,617	26,386
	SUB TOTAL (A)	61,61,918	18,50,000	80,11,918	6,27,035	10,78,774	17,05,809	63,06,109	55,34,883
II	INTANGIBLE ASSETS								
	COMPUTER SOFTWARE	51,18,156	-	51,18,156	2,70,952	8,29,653	11,00,606	40,17,550	48,47,204
	PRODUCT DEVELOPMENT EXPENSES	1,90,30,000	-	1,90,30,000	19,78,750	19,03,000	38,81,750	1,51,48,250	1,70,51,250
	SUB TOTAL (B)	2,41,48,156	-	2,41,48,156	22,49,702	27,32,653	49,82,356	1,91,65,800	2,18,98,454
	GRAND TOTAL (A+B)	3,03,10,074	18,50,000	3,21,60,074	28,76,738	38,11,427	66,88,165	2,54,71,909	2,74,33,336
	PREVIOUS YEAR	1,64,23,688	1,38,86,386	3,03,10,074	4,00,288	24,76,449	28,76,738	2,74,33,336	1,60,23,400



SDB

[Signature]

QFUND TECHNOLOGIES PRIVATE LIMITED

Notes to Financial Statements for the year ended March 31, 2013

NOTE NO. 15 : REVENUE FROM OPERATIONS

S. No.	Particulars	As on 31/03/2013	As on 31/03/2012
		Rs	Rs
I	Revenue from operations		
	(a) Revenue from Services	4,49,18,566	7,56,33,491
	Total Revenue from Operations	4,49,18,566	7,56,33,491

NOTE NO. 16 : OTHER INCOME

S. No.	Particulars	As on 31/03/2013	As on 31/03/2012
		Rs	Rs
I	(a) Net gain/loss on foreign currency translation	24,50,437	-
	Total Other Income	24,50,437	-

NOTE NO. 17 : EMPLOYEE BENEFIT EXPENSES

S. No.	Particulars	As on 31/03/2013	As on 31/03/2012
		Rs	Rs
I	(a) Salaries & Wages	1,12,63,807	1,34,64,970
	(b) Contribution to Provident & Other Funds	8,74,274	9,89,888
	(c) Staff Welfare Expenses	31,24,747	45,94,067
	Total Employee Benefit Expenses	1,52,62,828	1,90,48,925

NOTE NO. 18 : OTHER OPERATING EXPENSES

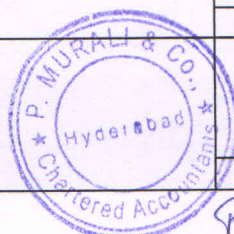
S. No.	Particulars	As on 31/03/2013	As on 31/03/2012
		Rs	Rs
I	(a) Power & Fuel	23,47,510	29,39,395
	(b) Rent	11,01,323	86,39,158
	(c) Repairs & Maintenance	1,96,887	1,94,249
	(d) Insurance	8,79,306	1,13,013
	(e) Donations	4,10,500	12,50,000
	(f) Payment to Auditors:		
	(i) As Auditor	28,090	28,090
	Total Other Expenses	49,63,616	1,31,63,905

NOTE NO. 19 : ADMINISTRATIVE EXPENSES

S. No.	Particulars	As on 31/03/2013	As on 31/03/2012
		Rs	Rs
I	(a) Telephone, Postage and Others	23,334	5,75,203
	(b) Conveyance	42,529	11,52,758
	(c) Office Maintenance	31,72,257	2,64,621
	(d) Printing & Stationery Expenses	9,17,035	4,67,380
	(e) Consultancy Charges	1,55,33,333	3,24,41,088
	(f) Seminar Fee	-	88,361
	(g) Interest on taxes Payable	1,74,112	16,478
	Total Administrative Expenses	1,98,62,600	3,50,05,889

NOTE NO. 20 : FINANCE COST

S. No.	Particulars	As on 31/03/2013	As on 31/03/2012
		Rs	Rs
I	(a) Interest Expenses :		
	- Loan processing Charges & Bank Charges	1,12,428	1,01,072
	(b) Other Borrowing costs	-	53,866
	Total Finance Cost	1,12,428	1,54,938



SLK

QFUND TECHNOLOGIES PRIVATE LIMITED

Notes to Accounts

21) There are no dues to SSI Units outstanding for more than 45 days.

22) Auditors' Remuneration:

Particulars	2012-13	2011-12
	Rupees	Rupees
As Auditor	28,090	28,090

23) Foreign Currency Inflow & Outflow

Particulars	2012-13	2011-12
Inflow	4,11,16,727	2,48,78,136
Outflow	NIL	NIL

24) In accordance with Accounting Standard 22(AS22) issued by ICAI, the company has Accounted for the Differed income tax during the year. The differed income tax provision for the current year amounts to Rs.8, 16,963/- towards deferred tax liability.

25) Previous years' figures are restated/regrouped/rearranged wherever necessary in order to Conform to the current years' grouping and classifications.

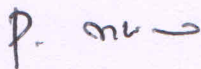
26) Figures have been rounded off to the nearest rupee.

SIGNATURES TO NOTES 1 TO 26

For P.Murali & Co.,

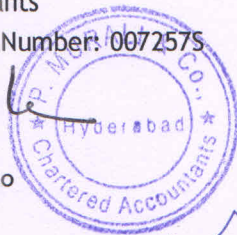
Chartered Accountants

Firm's Registration Number: 0072575



P.Murali Mohana Rao
Partner

Membership No.023412







Place : Hyderabad

Date : 30-05-2013

For and on behalf of the Board

QFUND TECHNOLOGIES PRIVATE LIMITED


G Santhi Priya
Director


Anil Kumar P
Director

QFUND TECHNOLOGIES PRIVATE LIMITED

Notes to Accounts

A. SIGNIFICANT ACCOUNTING POLICIES:

a) BASIS OF ACCOUNTING :

- The financial statements have been prepared under the historical cost convention and in accordance with the applicable Accounting Standards as notified by the Companies (Accounting Standards) Rules, 2006 and relevant presentational requirements of the Companies Act, 1956.
- Accounting policies not specifically referred to otherwise are in consonance with prudent accounting principles.
- All revenues, expenses, assets and liabilities having material bearing on the financial statements are recognized on accrual basis, unless otherwise stated.

b) REVENUE RECOGNITION:

- i) The Company follows the mercantile system of Accounting and recognises income and expenditure on accrual basis.
- ii) Revenue is not recognized on the grounds of prudence, until realized in respect of liquidated damages, delayed payments as recovery of the amounts are not certain.

c) FIXED ASSETS:

- i) Fixed assets are stated at cost less accumulated depreciation. All costs directly attributable to bringing the asset to the present condition for the intended use are capitalized.

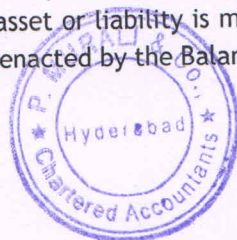
d) DEPRECIATION:

- i) Depreciation is provided on straight Line method at rates and in the manner prescribed by schedule XIV to the Companies Act, 1956.
- ii) The company provides depreciation at 100% in respect of assets costing less than Rs. 5,000/- each and depreciation on the assets acquired during the year is provided on pro-rata basis

e) TAXATION:

The current charge for income tax is calculated in accordance with the relevant tax regulations applicable to the company.

Deferred tax asset or liability is recognized for future tax consequences attributable to the timing differences that result between profit offered for Income tax and the profit as per the financial statements. Deferred tax asset or liability is measured as per the tax rates/laws that have been enacted or substantively enacted by the Balance Sheet date.



QFUND TECHNOLOGIES PRIVATE LIMITED

Notes to Accounts

f) EARNINGS PER SHARE:

Basic earnings per share are computed by dividing the net profit after tax by the weighted average number of equity shares outstanding during the period. Diluted earnings per share is computed by dividing the profit after tax by the weighted average number of equity shares considered for deriving basic earnings per share and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares.

