

AXIOM CONSULTING PRIVATE LIMITED

**FIFTEENTH ANNUAL REPORT
2015-16**

Board of Directors

Satya Simha Rao
Chairman & Managing Director

Giridhar L
Director

Auditors

Guru & Jana
Chartered Accountants
Bangalore

Bankers

Kotak Mahindra Bank Limited
Bangalore

Registered Office

**307, Shree Chambers,
1st Floor, 100 Feet Ring Road,
Banashankari 3rd stage,
Bangalore – 560 085
Tel: +91-80-42869900
Fax: +91-80-26799570**

www.axiomconsult.com

NOTICE

NOTICE is hereby given that the **Fifteenth (15th) Annual General Meeting** of the members of Axiom Consulting Private Limited will be held on **Monday, 22nd August 2016 at 11 A.M. at its Registered Office**, No. 307, Shree Chambers, 1st Floor, 100 Feet Ring Road, Banashankari III Stage, Bangalore – 560 085, to transact the following business:

ORDINARY BUSINESS

1. ADOPTION OF ACCOUNTS:

To receive, consider and adopt the Balance Sheet for the year ended 31st March, 2016 and the Profit & Loss Account for the year ending as on that date together with Schedules and notes attached thereto, **Consolidated Financial Statements**, together with the Reports of the Directors' and Auditor's thereon and to consider and if thought fit, to pass with or without modification, the following resolution as **ORDINARY RESOLUTION**:

***RESOLVED THAT**, pursuant to provisions of Section 129(2) & Section 134 of Companies Act 2013, the consent of members of the company be and is hereby accorded for adoption of Balance Sheet as on 31st March 2016 along with Profit and Loss account for the year ending as on that date, the Consolidated Financial Statements, Schedules and Notes to Accounts along with Auditor's and Directors' Reports thereon.*

***RESOLVED FURTHER THAT**, all the Directors of the Company be and are hereby severally authorized for and on behalf of the Company to do or cause to do such acts, deeds and things as may be required in connection with or incidental to the above.*

2. RATIFICATION OF APPOINTMENT OF STATUTORY AUDITORS:

To ratify appointment of Statutory Auditors and in this regard to consider and if thought fit, to pass with or without modification, the following resolution as **ORDINARY RESOLUTION**:

RESOLVED THAT M/s. Guru & Jana, Chartered Accountants, Bangalore, (Firm Registration Number: 006826S), Auditors of the Company who were appointed as Statutory Auditors at the 13th Annual General Meeting held on 29th November 2014 for a period of 5 years up to 18th Annual General Meeting to be held in the year 2019, and their appointment being subject to ratification by shareholders at every intervening Annual General Meeting, pursuant to provisions of Section 139 of the Companies Act 2013, the consent of members of the Company be and is hereby accorded for ratification of the said appointment of M/s. . Guru & Jana, Chartered Accountants, Bangalore, (Firm Registration Number: 006826S), as Statutory Auditors of the Company for the Financial Year 2016-17, at such remuneration as may be mutually agreed between the Board of Directors of the Company with office of the Auditors.

RESOLVED FURTHER THAT, all the Directors of the Company be and are hereby severally authorized for and on behalf of the Company to do or cause to do such acts, deeds and things as may be required in connection with or incidental to the above.

By Order of the Board
For Axiom Consulting Private Limited

Sd/-

Place : Bangalore
Date : 11th July 2016

Satya Simha Rao
Chairman & Managing Director
DIN No. 00350297

Note:

1. A member entitled to attend the Meeting and vote thereat may appoint a proxy to attend and vote on his behalf. Such a proxy need not be a Member of the Company. The proxy form duly completed must reach the Registered Office of the Company not later than forty-eight hours before the commencement of the Meeting.
 2. The explanatory statement pursuant to section 102 of the Companies Act, 2013, relating to the special business to be transacted at the meeting is not applicable to the Company, hence the same is not attached.
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FORM OF PROXY
FORM NO. MGT-11

*[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies
(Management and Administration) Rules, 2014]*

CIN : U74140KA2001PTC029153
Name of the Company : AXIOM CONSULTING PRIVATE LIMITED
Registered office : 307, SHREE CHAMBERS, I FLOOR, 100 FEET ROAD
BSK III STAGE, BANGALORE – 560 085

Name of the member(s)	
Registered address	
E-mail ID	
Folio No/ Client ID	
DP ID	

I/we, being the member(s) of AXIOM CONSULTING PRIVATE LIMITED holding
..... shares of the above named Company, hereby appoint

1. Name _____
Address _____
E-mail ID _____
Signature _____, or failing him/ her
2. Name _____
Address _____
E-mail ID _____
Signature _____ or failing him/ her
3. Name _____
Address _____
E-mail ID _____
Signature _____

as my/ our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the Annual General Meeting of the Company, to be held on **Monday, 22nd August 2016 at 11 A.M.** at the Registered Office of the Company.

Signed this ____ day of ____ 2016

Signature of shareholder	Signature of Proxy holder(s)

Note: This form of proxy in order to be effective, should be duly completed and deposited at the registered office of the Company, not less than 48 hours before the commencement of the meeting.

DIRECTORS' REPORT

To,
The Members of
Axiom Consulting Private Limited
Bangalore

Your Directors are pleased to present Fifteenth Annual Report on the performance of your Company along with the Audited financial statements for the year ended on 31st March, 2016.

1. RESULTS OF OPERATIONS AND FINANCIALS

a) Financial Summary

(Amounts in Rupees Lakhs)

Particulars	2015-16		2014-15
	Standalone	Consolidated	Standalone
Revenue from operations	1,279.00	4,069.23	1,067.87
Total Income	1,337.15	4,070.00	1,165.06
Operating expenditure	1,114.58	3,498.53	1,030.82
Operating Profit (EBITDA)	222.57	571.47	134.24
Finance cost	26.31	38.79	35.02
Depreciation, Amortization and Impairment	112.45	149.04	67.52
Profit before tax	83.81	383.64	31.70
Tax (Current tax and Deferred tax)	33.48	117.70	6.50
Profit after tax	50.33	265.94	25.20
Earnings per share (Rs.) (Basic and Diluted)	3.74	19.76	1.87

b) Standalone financial performance

For the financial year 2015-16, on a standalone basis that is of Axiom Consulting Pvt. Ltd., the turnover increased by about 20% to Rs. 1,279.00 lakhs in the year under review from Rs. 1,067.87 lakhs in the previous year.

The operating profit for 2015-16, on a standalone basis grew much faster by about 66% to Rs. 222.57 lakhs in the year under review from Rs. 134.24 lakhs in the previous year. The operating profit on standalone basis for the current and previous year was about 17% and 13% respectively. The faster than revenue growth in operating profit was possible due to increased operational efficiency and cost management both of which are being pursued by the company as long term strategies.

c) Consolidated

From the year under review, the Company is required to present consolidated financial statements which include the financial results of its subsidiaries. However, as per Accounting Standard 21 'Consolidated Financial Statements', the Company is exempted from presenting the comparative financials for the previous year. The same will therefore be presented from the next financial year.

The turnover of the Company and its subsidiaries was Rs. 4,069.23 lakhs with an operating profit of about 14%.

d) Operations Review

Both the key customers that the Company services and the key markets that they operate in continued to witness stagnated or reduced spending due to macro-economic pressures during the year under review. However, the steps taken by your Company since mid-2015 to further broaden its customer and services base has yielded benefits in the form of increased turnover and profitability. Such broad basing and increased focus on product sales is expected to result in much higher turnover in the current and ensuing years.

As the Directors had informed in their last report, in mid-2015 the Company had signed its first customer for sale of its breakthrough product in the Supply Chain and Distribution Arena and related services. The year 2015-16 saw the Company realizing its first revenue from sale of product and provision of related services. These have been well received by the customer and are a big testimony to the engineering prowess, quality of product and intellectual property that the Company has.

During the year under review, your Company successfully obtained additional funding in the form foreign currency term loan of INR 1 crore from its bankers. This has been fully utilised in procuring high end infrastructure and software for product development purposes.

e) Information on Subsidiaries/ Associates/ Joint Ventures

Details of Subsidiaries and Associates of the Company and their performance as required to be reported pursuant to Companies (Accounts) Rules, 2014 are included in Annexure A.

The Company does not have any Joint Venture.

f) Share capital

There were no changes in the Authorized and Paid up Share Capital of the Company during the year under review which stood at Rs.1,50,00,000/- and Rs.1,34,57,520/- respectively, as on 31 March, 2016.

g) Dividend

In view of the need to conserve cash for investing in growth initiatives, your Directors have not recommended any dividend for the financial year.

h) Transfer to general reserves

The Company does not propose to transfer any amount to General Reserves Account.

i) Change in nature of business, if any

During the Financial year, there has not been any change in nature of business of the Company.

j) Significant events subsequent to date of financial statements

There was no significant event since the date of the Financial Statements which may materially affect the financial position of the Company.

k) Significant & material orders passed by regulators

During the year under review there were no significant and material orders passed by the regulators or Courts or Tribunals impacting the going concern status and the Company's operations in future.

l) Particulars of loans, guarantees or investments under section 186

The Company has duly complied with the provision of Sections 186 of the Companies Act, 2013 and it has taken the following loans and invested (both as at Balance Sheet date) the following amounts as applicable:

Particulars	Amount (Rs.)
Secured Loans	2,80,51,192
Unsecured Loans	Nil
Non-Current Investments	34,38,293
Guarantees	Nil
Securities Extended	Nil

m) Particulars of contracts, or arrangements with related parties

The particulars of every contract or arrangements entered into by the Company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 are disclosed in Form No. AOC -2.as set out in Annexure B.

2. AUDITORS

a) Statutory Auditors

The Members at the Annual General Meeting held on November 29, 2014 had appointed M/s Guru & Jana , Chartered Accountants, Bangalore (FRN: 006826S), as the Statutory Auditors of the Company pursuant to the provisions of Section 139 and other applicable provisions, if any, of the Companies Act, 2013 to hold office from the conclusion of that Annual General Meeting, until the conclusion of the 18th Annual General Meeting, subject to ratification of their appointment by the Members at all the intervening Annual General Meetings and authorized the Board of Directors to fix their remuneration.

The appointment of statutory auditors is being ratified at the ensuing Annual General Meeting.

b) Reply to auditors qualification

The Auditors' have not made any qualification in their report on the financial statements for the year ended 31 March, 2016.

c) Reporting of fraud by Auditors

Pursuant to section 134 (3) (ca) and section 143 (12) of the Companies (Amendment) Act 2015, there is no fraud reported by the Auditors' in their Audit Report for the year ended 31 March, 2016.

d) Secretarial Audit report

The Company is a Private Limited Company and does not meet the prescribed criteria for Secretarial Audit. Hence the Secretarial Audit Report is not applicable.

3. DEPOSITS

During the year under review, the Company has not accepted any deposits from public within the meaning of Section 73 of the Companies Act, 2013 read with Companies (Acceptance of Deposits) Rules, 2014 including amendment there to.

The Company had not accepted any Deposits in prior years. Hence reporting on renewal of such deposits does not arise.

4. DIRECTORS AND KEY MANAGERIAL PERSONNEL

a) Meetings of board of directors

During the year the Company held seven meetings of the Board of Directors. Details of the same and attendance of these meetings by the Directors are as follows:

S. No	Date of Board Meeting	Satya Simha Rao	Giridhar L	Srinivas Mantripragada
1	13 th April, 2015	Yes	Yes	Yes
2	12 th May, 2015	Yes	Yes	Yes
3	10 th July, 2015	Yes	No	Yes
4	5 th October, 2015	Yes	Yes	Yes
5	30 th November, 2015	Yes	No	Yes
6	4 th December, 2015	Yes	No	Yes
7	20 th January, 2016	Yes	Yes	Yes

b) Change in Directors and Key Managerial Personnel

Mr. Srinivas Mantripragada has requested to be relieved of his duties as Director of the Company with effect from 21st June 2016 for personal reasons. His resignation was accepted.

c) Directors' responsibility statement

Pursuant to Section 134(5) of the Companies Act, 2013, the Board of Directors reports that:

- In the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;;
- Appropriate accounting policies have been selected and applied consistently and judgments and estimates made that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year ended 31st March 2015 and the profit of the Company for that period;
- Proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- The annual accounts have been prepared on a going concern basis;
- The directors, had laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively.
- The directors had devised proper systems to ensure compliance with the Provisions of all applicable laws and that such systems were adequate and operating effectively.

5. OTHER MATTERS

Other matters required to be reported or disclosed by the Board of Directors pursuant to the Companies Act, 2013, amendments thereto and the Rules made thereunder are:

a) Details of adequacy of internal financial controls

Commensurate with the nature of services performed by the Company, its operations and the size of business, the Company has adequate internal financial controls in place. The financial controls are reviewed by the Board from time to time and changes made to suit to changing business environment and needs.

b) Risk management

The Company identifies, analyses and evaluates risk at various levels viz. enterprise, specific businesses, customers and geographies. The Company periodically assesses risk on its short and long term strategic objectives relating to products and services that it provides, technology, operations, and finance. Risk is managed with appropriate risk mitigation strategies built into and reviewed periodically (or on need basis), for delivering timely and quality services to Company's customers, development of products, technology adoption and financial management.

During the year, the Company did not encounter any significant risk in the above other than routine operational, financial or general macro-economic risks inherent in similar businesses and the geographies in which the Company operates..

c) Conservation of energy, technology absorption and foreign exchange outgo:

Conservation of energy

The Company is not a manufacturing company. Consumption of energy is very less. However, all efforts are made to conserve energy wherever possible.

- | | |
|---|-----------------------|
| (i) Steps taken or impact on conservation of energy | Not Applicable |
| (ii) The steps taken by the Company for utilising alternate sources of energy | Not Applicable |
| (iii) The capital investment on energy conservation equipment | Nil |

Technology absorption

- | | |
|---|------------|
| (i) the efforts made towards technology absorption: | Nil |
| (ii) the benefits derived like product improvement, cost reduction, product development or import substitution: | Nil |
| (iii) in case of imported technology (imported during the last three years reckoned from the beginning of the financial year):- | |
| (a) the details of technology imported: | Nil |
| (b) the year of import: | NA |
| (c) whether the technology been fully absorbed: | NA |
| (d) if not fully absorbed, areas where absorption has not taken place and the reasons thereof: | NA |
| (iv) the expenditure incurred on Research and Development: | Nil |

Foreign exchange earnings and outgo

Foreign Exchange Earnings	:	Rs. 12,32,01,458
Foreign Exchange Outgo	:	Rs. 76,79,686

d) Corporate social responsibility

The provisions of section 135 of the Companies Act, 2013 read with the Companies (Corporate Social Responsibility policy) Rules, 2014, including any modification and amendment made thereto are not applicable to the Company.

6. EXTRACT OF ANNUAL RETURN

The details forming part of the extract of the Annual Return in form MGT 9 are annexed herewith as Annexure C.

7. ACKNOWLEDGEMENTS

Your Directors thank the Bankers and Government departments for their continued support and co-operation. The Directors also thank the employees for their appreciation commitments and dedication for the success of the Company. We also gratefully acknowledge the support and goodwill extended by the customers, suppliers and the shareholders.

By Order of the Board
For Axiom Consulting Private Limited

Sd/-

Sd/-

Place: Bangalore
Date: 11th July 2016

Satya Simha Rao
Chairman & Managing Director
DIN No. 00350297

Giridhar L
Director
DIN No 01553968

Form –AOC-1
Information about subsidiaries/ associates/ joint ventures and their performance

PART –A: SUBSIDIARIES

Name of subsidiary	Axiom Americas Inc.	Axiom Product Development Pte. Ltd.
Location	USA	Singapore
Relationship	Wholly Owned Subsidiary	Wholly Owned Subsidiary
Reporting / Financial period ended (if different from the holding company's reporting period)	31 st March, 2016	31 st March, 2016
Reporting Currency and exchange rate as on 31 st March, 2016	USD 1 = Rs. 66.33	SGD 1 = Rs. 49.15
Change during the year	Nil	Nil
% of shareholding	100%	100%
Share capital	Rs. 66,330	Rs. 41,77,495
Reserves and Surplus	(Rs. 1,57,779)	Rs. 19,47,679
Total Assets	Rs. 41,83,618	NIL
Total liabilities (excluding share capital and reserves)	Rs. 1,65,825	Rs. 9,37,872
Investments	Nil	Nil
Turnover / Revenue	Nil	Rs. 1,27,23,014
EBITDA	(Rs. 16,613)	Rs. 6,54,318
Profit before tax	(Rs. 16,613)	Rs. 6,21,001
Provision for tax	Nil	Rs. (55,324)
Profit after tax	(Rs. 16,613)	Rs. 6,76,325
Proposed Dividend	Nil	Nil

Notes:

- Names of Subsidiaries which are yet to commence operation: None
- Names of Subsidiaries which have been liquidated or sold during the year: None

PART –B: ASSOCIATES & JOINT VENTURES

Sl. No.	Name of Associates / Joint Ventures	Axiom Product Development LLC. USA
1.	Latest Audited Balance Sheet Date	31 st March, 2016
2.	Shares of Associate / JV held by the Company on the year end	
	Number of Shares	Nil
	Amount of Investment in Associates /JV	Nil
	Extent of Holding %	Nil
3.	Description of how there is significant influence	Wholly Owned Subsidiary of Axiom Americas Inc.
4.	Reasons why the associate /JV is not consolidated	Not applicable since consolidated with Axiom Americas Inc
5.	Networth attributable to Shareholding as per latest audited balance sheet i.e, 31 st March, 2016	Rs. 2,18,48,966
6.	Profit / Loss for the year (after tax)	
i	Considered in Consolidation	Rs. 2,09,01,530
ii	Not Considered in Consolidation	Not applicable

1. Names of Associates or Joint Ventures which are yet to commence operation: None
2. Names of Associates or Joint Ventures which have been liquidated or sold during the year:
None

Annexure –B of Directors' Report

FORM NO. AOC.2

Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

1. Details of contracts or arrangements or transactions not at arm's length basis

There were no contracts or agreement or transactions entered into during the year ended 31 March 2016, which are not at arm's length price.

2. Details of material contracts or arrangement or transactions at arm's length basis

Nature of contract	Name of related party	Nature of relationship	Duration of contract	Salient terms	Amount (Rs.)
A. Sale of services					
Management fee	Axiom Product Development Pte Ltd., Singapore	Wholly owned subsidiary	3 years from 1 April 2014	2% on Revenue generated	2,57,155
Management fee	Axiom Product Development LLC, USA	Associate company	3 years from 1 April 2014	2% on Revenue generated	54,59,162
Project services	Axiom Product Development Pte Ltd., Singapore	Wholly owned subsidiary	3 years from 1 April 2014	Cost plus 13% on project services provided to group company	10,23,211
Project services	Axiom Product Development LLC, USA	Associate company	3 years from 1 April 2014	Cost plus 13% on project services provided to group company	41,70,783
B. Purchase of services					
Sales support	Axiom Product Development LLC, USA	Associate company	2 years from 1 April 2014	On value of customer orders procured for India charged on cost plus mark up	16,66,455
Project services	Axiom Product Development LLC, USA	Associate company	2 years from 1 April 2014	On project services provided to India charged at cost plus mark-up	18,21,729

No advances have been given to Axiom Product Development LLC, USA and Axiom Product Development Pte Ltd., Singapore during 2015-16.

By Order of the Board

For Axiom Consulting Private Limited

Sd/-

Satya Simha Rao
Managing Director
(DIN:00350297)

Sd/-

Giridhar Lakshminarayana
Director
(DIN: 01553968)

Place: Bangalore
Date : 11th July, 2016

ANNEXURE TO DIRECTORS' REPORT

FORM NO. MGT 9

EXTRACT OF ANNUAL RETURN

As on financial year ended on 31.03.2016

Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the Company (Management & Administration) Rules, 2014.

I. REGISTRATION & OTHER DETAILS:		
1	CIN	U74140KA2001PTC029153
2	Registration Date	19-Jun-01
3	Name of the Company	Axiom Consulting Private Limited
4	Category/Sub-category of the Company	Private Limited
5	Address of the Registered office & contact details	No. 307, Shree Chambers, 1st Floor, 100 Feet Ring Road, 4th Phase, 7th Block, Banashankari 3rd Stage, Bangalore - 560 085 Tel: +91-80-42869900/01
6	Whether listed company	No
7	Name, Address & contact details of the Registrar & Transfer Agent, if any.	NA

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY			
(All the business activities contributing 10 % or more of the total turnover of the company shall be stated)			
S. No.	Name and Description of main products / services	NIC Code of the Product/service	% to total turnover of the company
1	Research, design and product development services	62099	100%
2			
3			

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES						
SN	Name and address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held		Applicable Section
1	Axiom Product Development Pte. Ltd	201115694M	Subsidiary	100%		Section 2 (46) & 186
2	Axiom Americas Inc.,	201305900802	Subsidiary	100%		Section 2 (46) & 186
3	Axiom Product Development LLC	201305900803	Associate company (subsidiary of Axiom America Inc.,	100%		Section 2 (46) & 186

IV. SHARE HOLDING PATTERN										
(Equity share capital breakup as percentage of total equity)										
(i) Category-wise Share Holding										
Category of Shareholders	No. of Shares held at the beginning of the year [As on 31-March-2015]				No. of Shares held at the end of the year [As on 31-March-2016]					% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares		
A. Promoters										
(1) Indian										
a) Individual/ HUF		1,094,074	1,094,074	81.30%		1,094,074	1,094,074	81.30%		0.00%
b) Central Govt			-	0.00%			-	0.00%		0.00%
c) State Govt(s)			-	0.00%			-	0.00%		0.00%
d) Bodies Corp.			-	0.00%			-	0.00%		0.00%
e) Banks / FI			-	0.00%			-	0.00%		0.00%
f) Any other			-	0.00%		-	-	0.00%		0.00%
Sub Total (A) (1)	-	1,094,074	1,094,074	81.30%	-	1,094,074	1,094,074	81.30%		0.00%
(2) Foreign										
a) NRI Individuals			-	0.00%			-	0.00%		0.00%
b) Other Individuals		251,678	251,678	18.70%		251,678	251,678	18.70%		0.00%
c) Bodies Corp.			-	0.00%			-	0.00%		0.00%
d) Any other			-	0.00%			-	0.00%		0.00%
Sub Total (A) (2)	-	251,678	251,678	18.70%	-	251,678	251,678	18.70%		0.00%
TOTAL (A)	-	1,345,752	1,345,752	100.00%	-	1,345,752	1,345,752	100.00%		0.00%

B. Public										
1. Institutions										
a) Mutual Funds			-	0.00%		-	0.00%			0.00%
b) Banks / FI			-	0.00%		-	0.00%			0.00%
c) Central Govt			-	0.00%		-	0.00%			0.00%
d) State Govt(s)			-	0.00%		-	0.00%			0.00%
e) Venture Capital Funds			-	0.00%		-	0.00%			0.00%
f) Insurance Companies			-	0.00%		-	0.00%			0.00%
g) FIs			-	0.00%		-	0.00%			0.00%
h) Foreign Venture Capital Funds			-	0.00%		-	0.00%			0.00%
i) Others (specify)			-	0.00%		-	0.00%			0.00%
Sub-total (B)(1):-	-	-	-	0.00%	-	-	-	0.00%		0.00%
2. Non-Institutions										
a) Bodies Corp.										
i) Indian			-	0.00%		-	0.00%			0.00%
ii) Overseas			-	0.00%		-	0.00%			0.00%
b) Individuals				0.00%			0.00%			
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh			-	0.00%		-	0.00%			0.00%
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh			-	0.00%		-	0.00%			0.00%
c) Others (specify)										
Non Resident Indians			-	0.00%		-	0.00%			0.00%
Overseas Corporate Bodies			-	0.00%		-	0.00%			0.00%
Foreign Nationals			-	0.00%		-	0.00%			0.00%
Clearing Members			-	0.00%		-	0.00%			0.00%
Trusts			-	0.00%		-	0.00%			0.00%
Foreign Bodies - D R			-	0.00%		-	0.00%			0.00%
Sub-total (B)(2):-	-	-	-	0.00%	-	-	-	0.00%		0.00%
Total Public (B)	-	-	-	0.00%	-	-	-	0.00%		0.00%
C. Shares held by Custodian for GDRs & ADRs			-	0.00%				0.00%		0.00%
Grand Total (A+B+C)	-	1,345,752	1,345,752	100.00%	-	1,345,752	1,345,752	100.00%		0.00%

(ii) Shareholding of Promoter

SN	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year				% change in shareholding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged/ encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged/ encumbered to total shares		
1	Mr. Satya Simha Rao	421,250	31.30%	0	421,250	31.30%	0		0.00%
2	Mr. Giridhar.L	355,000	26.38%	0	355,000	26.38%	0		0.00%
3			0.00%			0.00%			0.00%
4			0.00%			0.00%			0.00%

(iii) Change in Promoters' Shareholding (please specify, if there is no change)

SN	Particulars	Date	Reason	Shareholding at the beginning of the year		Cumulative Shareholding during the year		
				No. of shares	% of total shares	No. of shares		% of total shares
	At the beginning of the year			776,250	57.68%	776,250		57.68%
	Changes during the year			-	0.00%	-		0.00%
				-	0.00%	-		0.00%
				-	0.00%	-		0.00%
	At the end of the year			776,250	57.68%	776,250		57.68%

(iv) Shareholding Pattern of top ten Shareholders

(Other than Directors, Promoters and Holders of GDRs and ADRs):

SN	For each of the Top 10 shareholders	Date	Reason	Shareholding at the beginning of the year		Cumulative Shareholding during the year		
				No. of shares	% of total shares	No. of shares		% of total shares
1	Mr. Robert H Tate							
	At the beginning of the year			251,678	18.70%	251,678		18.70%
	Changes during the year			-	0.00%	-		0.00%
	At the end of the year			251,678	18.70%	251,678		18.70%
2	Mr. A.J. Chandrasekhar							
	At the beginning of the year			62,100	4.61%	62,100		4.61%
	Changes during the year			-	0.00%	-		0.00%
	At the end of the year			62,100	4.61%	62,100		4.61%
3	Mr. K. V. Dinesh							
	At the beginning of the year			54,112	4.02%	54,112		4.02%
	Changes during the year			-	0.00%	-		0.00%
	At the end of the year			54,112	4.02%	54,112		4.02%
4	Mr. Kaushik Ghatak							
	At the beginning of the year			51,092	3.80%	51,092		3.80%
	Changes during the year			-	0.00%	-		0.00%
	At the end of the year			51,092	3.80%	51,092		3.80%
5	Mr. Vidyasagar MWV							
	At the beginning of the year			35,315	2.62%	35,315		2.62%
	Changes during the year			-	0.00%	-		0.00%
	At the end of the year			35,315	2.62%	35,315		2.62%
6	Mr. B.P. Padmaprasad							
	At the beginning of the year			35,000	2.60%	35,000		2.60%
	Changes during the year			-	0.00%	-		0.00%
	At the end of the year			35,000	2.60%	35,000		2.60%
7	Mr. N. Harish							
	At the beginning of the year			26,000	1.93%	26,000		1.93%
	Changes during the year			-	0.00%	-		0.00%
	At the end of the year			26,000	1.93%	26,000		1.93%
8	Mr. Bharath Ram							
	At the beginning of the year			23,805	1.77%	23,805		1.77%
	Changes during the year			-	0.00%	-		0.00%
	At the end of the year			23,805	1.77%	23,805		1.77%
9	Mr. S.N. Prasad							
	At the beginning of the year			20,000	1.49%	20,000		1.49%
	Changes during the year			-	0.00%	-		0.00%
	At the end of the year			20,000	1.49%	20,000		1.49%
10	Mrs. Bhavya Ram							
	At the beginning of the year			5,400	0.40%	5,400		0.40%
	Changes during the year			-	0.00%	-		0.00%
	At the end of the year			5,400	0.40%	5,400		0.40%

(v) Shareholding of Directors and Key Managerial Personnel:

SN	Shareholding of each Directors and each Key Managerial Personnel	Date	Reason	Shareholding at the beginning of the year		Cumulative Shareholding during the year		
				No. of shares	% of total shares	No. of shares		% of total shares
1	Mr. Satya Simha Rao							
	At the beginning of the year			421,250	31.30%	421,250		31.30%
	Changes during the year			-	0.00%	-		0.00%
	At the end of the year			421,250	31.30%	421,250		31.30%
2	Mr. Giridhar L							
	At the beginning of the year			355,000	26.38%	355,000		26.38%
	Changes during the year			-	0.00%	-		0.00%
	At the end of the year			355,000	26.38%	355,000		26.38%

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment.

(Amt. Rs./Lacs)

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	20,422,446.00	1,520,809.00	NIL	21,943,255.00
ii) Interest due but not paid	NIL	NIL	NIL	-
iii) Interest accrued but not due	NIL	NIL	NIL	-
Total (i+ii+iii)	20,422,446.00	1,520,809.00	-	21,943,255.00
Change in Indebtedness during the financial year				
* Addition	16,191,201.00	NIL	NIL	16,191,201.00
* Reduction	8,562,456.00	1,520,809.00	NIL	10,083,265.00
Net Change	24,753,657.00	1,520,809.00	-	26,274,466.00
Indebtedness at the end of the financial year				
i) Principal Amount	28,051,192.00	-	NIL	28,051,192.00
ii) Interest due but not paid	NIL	NIL	NIL	-
iii) Interest accrued but not due	31,869.00	NIL	NIL	31,869.00
Total (i+ii+iii)	28,083,061.00	-	-	28,083,061.00

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

SN.	Particulars of Remuneration	Name of MD/WTD/ Manager			Total Amount
		Name	Mr. Satya Simha Rao	Mr. Giridhar.L	Mr. Srinivas Mantripragada
		Designation	Chairman & Managing Director	Whole Time Director	Director
1	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961		3,790,200.00	3,790,200.00	8,898,236.00
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961		-	-	-
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961		-	-	-
2	Stock Option		-	-	-
3	Sweat Equity		-	-	-
4	Commission				
	- as % of profit		-	-	-
	- others, specify		-	-	-
5	Others, please specify (Lunch Allowance & LTA)		-	-	-
	Total (A)		3,790,200.00	3,790,200.00	8,898,236.00
	Ceiling as per the Act				

B. Remuneration to other Directors

SN.	Particulars of Remuneration	Name of Directors			Total Amount
					(Rs/Lac)
1	Independent Directors				
	Fee for attending board committee				-
	Commission				-
	Others, please specify				-
	Total (1)	-	-	-	-
2	Other Non-Executive Directors				-
	Fee for attending board committee				-
	Commission				-
	Others, please specify				-
	Total (2)	-	-	-	-
	Total (B)=(1+2)	-	-	-	-
	Total Managerial Remuneration				-
	Overall Ceiling as per the Act				

C. Remuneration to Key Managerial Personnel other than MD/Manager/WTD

SN.	Particulars of Remuneration	Name of Key Managerial Personnel			Total Amount
	Name				(Rs/Lac)
	Designation	CEO	CFO	CS	
1	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961				-
	(b) Value of perquisites u/s 17(2) Income-				-
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961				-
2	Stock Option				-
3	Sweat Equity				-
4	Commission				
	- as % of profit				-
	- others, specify				-
5	Others, please specify				-
	Total	-	-	-	-

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD / NCLT/ COURT]	Appeal made, if any (give Details)
A. COMPANY					
Penalty					
Punishment					
Compounding					
B. DIRECTORS					
Penalty					
Punishment					
Compounding					
C. OTHER OFFICERS IN DEFAULT					
Penalty					
Punishment					
Compounding					

By Order of the Board

For Axiom Consulting Private Limited

Sd/-

Satya Simha Rao
Managing Director
(DIN: 00350297)

Sd/-

Gridhar Lakshminarayana
Director
(DIN: 01553968)

Place: Bangalore
Date : 11th July, 2016

INDEPENDENT AUDITOR'S REPORT

To
The Members,
Axiom Consulting Private Limited

Report on the Standalone Financial Statements

1. We have audited the accompanying standalone financial statements of **Axiom Consulting Private Limited** ("the Company"), which comprise the standalone Balance Sheet as at 31st March, 2016, 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 of 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 standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors 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.

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.

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 standalone financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. 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.

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

Opinion

4. 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 31st March, 2016, and its profit and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

5. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), as amended, issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "**Annexure A**" a statement on the matters specified in paragraphs 3 and 4 of the Order.
6. 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 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 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 31st March 2016 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March 2016 from being appointed as a director in terms of Section 164(2) of the Act.
- f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in **“Annexure B”**
- g) 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 to be disclosed on its financial position in its financial statements.
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company. Hence this clause is not applicable.

For **Guru & Jana,**
Chartered Accountants
Firm Registration No: 006826S

Sd/-

M. Guru Prasad
Partner
Membership No: 200714

Place: Bangalore
Date: 11 July 2016

“Annexure A” to the Independent Auditors Report

(Referred to in paragraph 5 under the heading ‘Report on Other Legal & Regulatory Requirement’ of our report of even date to the standalone financial statements of the Company for the year ended March 31, 2016)

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

- i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets;
- (b) All fixed assets have not been physically verified by the Management during the year. However, there is a regular program of verification which is planned once in three years, which in our opinion, is reasonable having regard to the size of the Company and the nature of its assets.
- (c) The company does not own any immovable property, hence clause 3(i)(c) is not applicable to the company.
- ii) Since the Company is into the business of service delivery, it has no inventory during the year; hence clause 3(ii) is not applicable to the company.
- iii) The Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability partnerships or other parties covered in the Register maintained under section 189 of the Act. Accordingly, the provisions of clause 3 (iii) (a) to (c) of the Order are not applicable to the Company and hence not commented upon.
- iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of section 185 and 186 of the Companies Act, 2013 In respect of loans, investments, guarantees, and security.
- v) The Company has not accepted any deposits from the public and hence the directives issued by the Reserve Bank of India and the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the Companies (Acceptance of Deposit) Rules, 2015 with regard to the deposits accepted from the public are not applicable.

- vi) In our opinion, the maintenance of Cost Records has not been specified by the Central Government under sub-section (1) of Section 148 of the Act, in respect of the activities carried on by the company.
- vii)
 - (a) According to information and explanations given to us and on the basis of our examination of the books of account, and records, the Company has been generally regular in depositing undisputed statutory dues including Provident Fund, Income-Tax, Service Tax, Value added Tax, Cess and any other statutory dues with the appropriate authorities except one case of delay. According to the information and explanations given to us, no undisputed amounts payable in respect of the above were in arrears as at March 31, 2016 for a period of more than six months from the date on when they become payable.
 - b) According to the information and explanation given to us, there are no dues of Income Tax, Sales Tax, Service Tax, Value Added Tax outstanding on account of any dispute.
- viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of dues to banks. The Company has not taken any loan from the Government and has not issued any debentures.
- ix) Based upon the audit procedures performed and the information and explanations given by the management, the Company has not raised moneys by way of initial public offer or further public offer including debt instruments and term loans. Accordingly, the provisions of clause 3 (ix) of the Order are not applicable to the Company.
- x) Based upon the audit procedures performed and the information and explanations given by the management, we report that no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the year.
- xi) The provisions of Sec-197 with respect to Managerial Remuneration does not apply to private limited Companies. Para 3(xi) of the Order is therefore not applicable to the company.
- xii) In our opinion, the Company is not a Nidhi Company. Therefore, the provisions of clause 3 (xii) of the Order are not applicable to the Company.

- xiii) In our opinion, all transactions with the related parties are in compliance with Section 177 and 188 of Companies Act, 2013 and the details have been disclosed in the Financial Statements as required by the applicable accounting standards.
- xiv) Based upon the audit procedures performed and the information and explanations given by the management, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, the provisions of clause 3 (xiv) of the Order are not applicable to the Company and hence not commented upon.
- xv) Based upon the audit procedures performed and the information and explanations given by the management, the Company has not entered into any non-cash transactions with directors or persons connected with them. Accordingly, the provisions of clause 3 (xv) of the Order are not applicable to the Company.
- xvi) In our opinion, the Company is not required to be registered under section 45 IA of the Reserve Bank of India Act, 1934 and accordingly, the provisions of clause 3 (xvi) of the Order are not applicable to the Company.

For **Guru & Jana,**

Chartered Accountants

Firm Registration No: 006826S

Sd/-

M. Guru Prasad

Partner

Membership No: 200714

Place: Bangalore

Date: 11 July 2016

ANNEXURE TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE STANDALONE FINANCIAL STATEMENTS OF AXIOM CONSULTING PRIVATE LIMITED

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of **Axiom Consulting Private Limited** as of March 31, 2016 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's Management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing as specified under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. 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.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A Company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that

(1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;

(2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and

(3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Explanatory paragraph

We also have audited, in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India, as specified under Section 143(10) of the Act, the financial statements of the Company, which comprise the Balance Sheet as at March 31, 2016, and the related Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information, and our report even dated expressed an “unqualified opinion thereon”

For **Guru & Jana,**

Chartered Accountants

Firm Registration No: 006826S

Sd/-

M. Guru Prasad

Partner

Membership No: 200714

Place: Bangalore

Date: 11 July 2016

AXIOM CONSULTING PRIVATE LIMITED**BALANCE SHEET AS AT 31ST MARCH 2016****(Amounts in Rupees)**

Particulars	Note	2016	2015
Equity and Liabilities			
Shareholders' Funds			
Share capital	2	13,457,520	13,457,520
Reserves and surplus	3	35,519,491	29,509,452
Non-current Liabilities			
Long term borrowings	4	11,586,417	5,818,511
Long term provisions	5	8,718,201	7,009,469
Current Liabilities			
Short term borrowings	6	4,529,082	11,323,620
Trade payables	7		
- Micro and small enterprises		104,500	27,303
- Others		6,900,894	11,139,902
Other current liabilities	8	29,131,571	10,762,204
Short-term provisions	9	687,465	262,538
Deferred tax liability (net)	10	2,291,866	-
		112,927,007	89,310,519
Assets			
Non-current Assets			
Fixed assets			
Tangible assets	11	5,691,276	3,060,485
Intangible assets	12	35,153,541	12,569,438
Intangible assets under development	12	981,895	21,770,969
Non-current investments	13	3,438,293	3,438,293
Deferred tax asset (net)	10	-	1,029,548
Long term loans and advances	14	4,197,072	11,314,997
Current Assets			
Trade receivables	15	20,109,365	16,740,935
Cash and cash equivalents	16	17,281,257	2,891,807
Short term loans and advances	17	16,448,012	9,561,413
Other current assets	18	9,626,296	6,932,634
		112,927,007	89,310,519
Significant accounting policies	1		

The accompanying notes are an integral part of the Financial Statements

As per our report of even date

For Guru & Jana
Chartered Accountants
Firm Registration No.006826S

Sd/-
M. Guru Prasad
Partner
Membership No: 200714

For and on behalf of the Board of Directors

Sd/-
Satya Simha Rao
Chairman & Managing l
DIN: 00350297

Sd/-
Giridhar Lakshminarayana
Director
DIN: 01553968

Place: Bangalore
Date: 11th July, 2016

AXIOM CONSULTING PRIVATE LIMITED

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH 2016

		(Amounts in Rupees)	
Particulars	Note	2016	2015
Income			
Revenue from operations	19	127,899,721	106,787,117
Other income	20	5,815,571	9,718,996
		133,715,292	116,506,113
Expenses			
Employee benefits expenses	21	79,315,723	64,063,586
Other expenses	22	32,142,497	39,017,972
		111,458,220	103,081,558
Earnings before interest, tax, depreciation and amortization (EBITDA)		22,257,072	13,424,555
Finance cost	23	2,630,953	3,502,371
Depreciation, amortisation and impairment	24	11,244,782	6,751,706
Profit before tax		8,381,337	3,170,478
Tax expenses			
Current tax		1,623,761	641,655
MAT credit		(1,597,064)	-
Deferred tax charge/ (credit)		3,321,415	8,338
Profit after tax		5,033,225	2,520,485
Earnings Per Share (par value of Equity Shares Rs.10 each)			
Basic & Diluted			
On the basis of profit from continuing operations		3.74	1.87
On the basis of total profit for the year		3.74	1.87
Significant accounting policies	1		

The accompanying notes are an integral part of the Financial Statements

As per our report of even date

For Guru & Jana

Chartered Accountants

Firm Registration No.006826S

Sd/-

M. Guru Prasad

Partner

Membership No: 200714

For and on behalf of the Board of Directors

Sd/-

Satya Simha Rao

Chairman & Managing I

DIN: 00350297

Sd/-

Giridhar Lakshminarayana

Director

DIN: 01553968

Place: Bangalore

Date: 11th July, 2016

AXIOM CONSULTING PRIVATE LIMITED
CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2016

(Amounts in Rupees)

Particulars	2016	2015
Cash Flow from Operating Activities		
Net profit after tax	5,033,225	2,520,483
Adjustments for:		
Net Income tax for current period	26,697	649,993
Depreciation	11,244,782	6,211,961
Interest income	-	(14,983)
Dividend income	-	(2,017,475)
Interest expense	2,010,540	1,928,062
Profit on sale of assets	-	(64,852)
Impairment loss	-	864,855
Operating profit before working capital changes	18,315,244	10,078,044
Movement in trade receivables	(3,368,430)	23,563,498
Movement in deferred tax	3,321,414	(8,338)
Movement in long term loans and advances	7,117,925	(9,658,545)
Movement in short term loans and advances	(6,886,599)	(270,084)
Movement in other current assets	(2,693,662)	891,733
Movement in long term provisions	1,708,732	3,070,079
Movement in trade payables	(4,161,811)	(1,452,981)
Movement in other current liabilities	18,369,366	(8,905,333)
Movement in short-term provisions	424,927	(2,776,039)
Cash from operating activities	32,147,106	14,532,034
Tax payable	(26,697)	(641,655)
Net Cash from operating activities	32,120,409	13,890,379
Cash Flow from Investing Activities		
Purchase of fixed assets	(11,146,600)	(9,831,729)
Sales of fixed assets	-	88,767
Impairment of Assets	-	(864,855)
Capitalisation of intangible assets under development	(4,524,001)	(4,597,729)
Interest received	-	14,983
Dividend received	-	2,017,475
Net cash used in investing activities	(15,670,601)	(13,173,088)
Cash Flow from Financing Activities		
Movement in long term borrowings	5,767,906	4,758,541
Movement in short term borrowings	(6,794,538)	(10,886,879)
Interest paid	(2,010,540)	(1,928,062)
Net cash used in financing activities	(3,037,172)	(8,056,400)
Net movement in cash and cash equivalents	13,412,636	(7,339,109)
Cash and cash equivalents at beginning of period	2,891,807	10,230,915
Effect of exchange difference due to translation of foreign currency items	976,814	-
Cash and cash equivalents at end of period	17,281,257	2,891,806
Cash and Cash Equivalents		
Cash and cash equivalents consist of cash on hand and balances with banks. Cash and cash equivalents included in the cash flow statement comprise the following balances:		
Balances with banks on current accounts	10,198,774	1,518,910
Balances with banks on EEFC accounts	7,070,382	1,363,445
Cash in hand	12,101	9,451
Cash and cash equivalents as restated	17,281,257	2,891,806

Cash and cash equivalents at the end of the period include deposits with banks, equivalent of Rs. 1,204,405/- held by branches.

The accompanying notes are an integral part of the Financial Statements

As per our report of even date

For Guru & Jana
 Chartered Accountants
Firm Registration No.006826S
For and on behalf of the Board of Directors
Sd/-
M. Gurn Prasad
 Partner
Membershin No: 200714
Sd/-
Satva Simha Rao
 Chairman & Managing Director
 DIN: 00350297

Sd/-
Giridhar Lakshminaravana
 Director
 DIN: 01553968

 Place: Bangalore
 Date: 11th July, 2016

Significant Accounting Policies

Company overview

Axiom Consulting Private Limited ('the Company') was incorporated as a private limited company under the Companies Act, 1956 on 19th June 2001.

The Company provides engineering design, testing, prototype development and related services and sale/ licensing of internally developed intangible products and their related services. It has branches in USA and Belgium and wholly owned subsidiaries in USA and Singapore.

Note 1 : Significant accounting policies**1 Basis of preparation of financial statements**

The financial statements of the Company have been prepared in accordance with the generally accepted accounting principles in India (Indian GAAP). The Company has prepared these financial statements to comply in all material respects with the Accounting Standards notified under Section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules 2014, on an accrual basis and under the historical cost convention. The Accounting policies have been applied consistently except to the extent of change required under a new or revised Accounting Standard. The financial statements are presented in Indian Rupees and rounded off to nearest rupee. The Management evaluates all recently issued or revised Accounting Standards on an on-going basis.

The Company is a Small and Medium sized company as defined in the General Instructions in respect of the Accounting Standards notified under Section 133 of the Companies Act 2013. Accordingly, the Company has complied with the Accounting Standards as applicable to a Small and Medium Sized Company.

2 Use of estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities as at the date of the financial statements and the results of operations during the reporting year. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from those estimates. Changes in estimates are reflected in the financial statements of the period in which the changes are made with material amounts being disclosed in the financial statements and/ or the notes to the financial statements.

3 Revenue Recognition

Revenue is derived from providing engineering design, testing, prototype development and related services and sale/ licensing of internally developed intangible products and related services related to their implementation and customisation. Revenue from services is recognised based on time and material and/ or fixed price contractual arrangements with customers and accrued when there is no uncertainty as to measurement of revenue or its collectability.

- a. Revenue from time and material contracts is recognised as the related services are performed.
- b. Revenue from fixed price contracts is recognised as the related services are performed by applying the percentage of completion method.
- c. Revenue from the sale of prototyping services is recognised when the property in the goods or all significant risks and rewards of ownership are transferred to the customer.
- d. Revenue from sale/ licensing of internally developed intangibles is recognised when license is issued to customer in case of sale or when services incidental to and necessary for use of the intangibles are performed in case of a services agreement.
- e. Billing in excess of revenue recognized is classified as Deferred Revenue and revenue recognized in excess of billing is classified as Unbilled Revenue.

4 Tangible assets and depreciation

Tangible assets are stated at cost, less accumulated depreciation and impairment, if any. Direct costs relating to the acquisition and installation of tangible assets are capitalised. Cost of tangible assets not ready for their intended use as at the reporting date are included in "Capital works in progress".

Depreciation is computed using written down value method, based on the prescribed useful lives for tangible assets specified under Schedule II of the Companies Act, 2013. Depreciation on assets purchased during the year is charged proportionately from the date of putting to use.

5 Intangible assets and amortisation

Intangible assets comprise of acquired software and internally developed engineering solutions/ systems and software. Acquired intangibles are measured on initial recognition at cost. Subsequently, intangible assets are recognised at cost less accumulated amortization and any impairment. Internally developed intangible assets are capitalised at the development stage and all research costs are charged to Statement of Profit and Loss in the year in which the expenditure is incurred.

Intangible assets are amortised on straight line basis over the estimated useful economic life of the asset. The amortisation period and the amortisation method are reviewed at the end of each financial year. If the estimated useful life of the asset is significantly different from previous estimates, the amortisation period is changed accordingly.

6 Impairment

The carrying amounts of tangible assets and intangible assets are reviewed at each reporting date to determine if there is any indication of impairment of assets and the asset's recoverable amount is estimated. An impairment loss is recognised if the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the asset's net selling price and value in use.

For the purpose of impairment testing, assets are grouped together into the smallest group of assets (cash generating unit or CGU) that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGUs.

The recoverable amount of an asset or CGU is the greater of its value in use and its net selling price. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU. Impairment losses are recognised in statement of profit and loss. Impairment loss recognised in respect of a CGU is reduced by the carrying amounts of the other assets in the CGU on a pro-rata basis.

If at the balance sheet date there is an indication that a previously assessed impairment loss no longer exists or has decreased, the assets or CGU's recoverable amount is estimated and the impairment loss is reversed to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognised. Such a reversal is recognised in the Statement of Profit and Loss.

7 Investments

Investments that are readily realisable and intended to be held for not more than a year from the date of acquisition are classified as current investments. All other investments are classified as long-term investments. However, that part of long-term investment which is expected to be realised within twelve months of the reporting date is presented under 'current assets' as "current portion of long term investments" in accordance with the current/ non-current classification scheme of Schedule III.

Long-term investments (including current portion thereof) are carried at cost less any other than temporary diminution in value, determined separately for each individual investment.

Current investments are carried at the lower of cost or fair value. The comparison of cost and fair value is done separately in respect of each category of investment i.e., equity shares, preference shares, convertible debentures etc.

Any reduction in the carrying amount and any reversal of such reduction is charged or credited to the Statement of Profit and Loss.

8 Employee benefits**a. Defined Contribution Plans**

These are plans in which the Company pays pre-defined amounts to separate funds and does not have any legal or informal obligation to pay additional sums. These comprise of contributions to the employees' provident fund maintained by the government. The Company's payment to the defined contribution plans are recognised as expenses during the period in which the employees perform services that the payment covers.

b. Defined Benefit Plans**Gratuity**

The Company provides for gratuity, a defined benefit plan (Gratuity Plan). The liability with regard to gratuity plan is accrued based on actuarial valuation, based on Projected Unit Credit Method.

Leave Encashment

The employees of the Company are entitled to compensated absences which are both accumulating and non-accumulating. The estimated expenses of accumulated compensated absences are determined and accrued using actuarial valuation in respect of the unused entitlement accumulated as at reporting date. Expenses relating to non-accumulated compensated absences are recognized as expenditure in the period in which the absence occurs.

9 Sweat Equity Shares

The Company measures the compensation cost relating to sweat equity shares based on fair value determined by a valuer which is expensed in the period in which sweat equity shares are issued.

10 Borrowing Costs

Borrowing costs that are directly attributable to the acquisition, development, construction or production of a qualifying asset are capitalised as part of cost of such asset till such time as the asset is ready for its intended use or sale. A qualifying asset is an asset that necessarily requires a substantial period of time to be ready for its intended use or sale. All other borrowing costs are recognised as expenses in the period in which they are incurred.

11 Provisions and contingencies

A provision is recognised when an enterprise has a present 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 a reliable estimate can be made. Provisions are not discounted to their present value and are determined based on management estimates required to settle the obligation at the reporting date. These are reviewed at each reporting date and adjusted to reflect the current management estimates.

12 Foreign currency transactions

Foreign currency transactions during the year are recorded at the exchange rates prevailing on the date of the transaction. Foreign currency denominated monetary items are translated into rupees at the closing rates of exchange prevailing as at the reporting date. Non-monetary items, which are carried in terms of historical cost denominated in a foreign currency, are reported using the exchange rate at the date of the transaction. Exchange differences arising on the settlement of monetary items at rates different from those at which they are initially recorded, are recognized as income or as expenses in the year in which they arise.

The Company classifies all its foreign entities as either 'Integral foreign operations' or 'Non-integral foreign operations'. The financial statements of integral foreign operations are translated as if the transactions of such foreign operations have been those of the Company itself.

The assets and liabilities of non-integral foreign operations are translated into the reporting currency at the exchange rate prevailing at the reporting date and their Statement of Profit and Loss are translated at exchange rates prevailing at the dates of transaction or monthly average rates, where such rates approximate the exchange rate at the date of transaction. The exchange difference arising on translation is accumulated in the foreign currency translation reserve. On disposal of a non-integral foreign operation, the accumulated foreign currency translation reserve relating to that foreign operation is recognised in the statement of profit and loss.

When there is a change in the classification of a foreign operation, the translation procedure applicable to the revised classification are applied prospectively.

13 Income Tax

Tax expense comprises of current and deferred tax. Current tax is measured at the amount expected to be paid to the tax authorities in accordance with the Indian Income Tax Act. Deferred income taxes are recognised for the future tax effects attributable to timing differences between the determination of income and expenses for financial statement reporting purposes and their recognition for tax purposes. The effect on deferred tax assets and liabilities of a change in tax rates is recognised using the tax rates and tax laws that have been enacted or substantively enacted by the reporting date. Deferred tax assets are recognised and carried forward only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised. Unrecognised deferred tax assets of earlier years are re-assessed and recognised to the extent that it has become reasonably certain that future taxable income will be available against which deferred tax assets can be realised.

Minimum Alternative Tax ('MAT') under the provisions of the Income-Tax Act, 1961 is recognised as part of current tax in the Statement of Profit and Loss. The credit available as per provisions of the Act in respect of MAT paid is recognised as an asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the period for which the MAT credit can be carried forward for or set-off against the normal tax liability. MAT credit is recognised as an asset and is reviewed at each balance sheet date and written down to the extent the aforesaid convincing evidence no longer exists.

14 Earnings per share

The basic earnings per share is computed by dividing the net profit after tax attributable to equity shareholders for the reporting period by the weighted average number of equity shares outstanding during the period. For the purpose of calculating diluted earnings per share, the net profit after tax attributable to equity share holders for the reporting period and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

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	2016	2015
Note 2 : Share Capital		
Authorised		
1,500,000 Equity Shares of Rs.10/- each (previous year 1,500,000)	15,000,000	15,000,000
	15,000,000	15,000,000
Issued, subscribed and fully paid-up		
1,345,752 Equity Shares of Rs.10/- each (previous year 1,345,752)	13,457,520	13,457,520
	13,457,520	13,457,520

(a) Reconciliation of the shares outstanding at the beginning and at the end of the year

Particulars	As at 31 March, 2016		As at 31 March, 2015	
	Number of shares	Amount	Number of shares	Amount
Opening balance	1,345,752	13,457,520	1,345,752	13,457,520
Issued during the year	-	-	-	-
Closing balance	1,345,752	13,457,520	1,345,752	13,457,520

b) 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. The Company declares and pays dividends in Indian Rupees. During the year, the company has not declared any dividend.

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. The distribution will be in proportion to the number of equity shares held by the share holders.

c) Details of shareholders holding more than 5% of equity shares in the Company

Equity shares of Rs. 10 each fully paid-up	As at 31 March, 2016		As at 31 March, 2015	
	Number of shares	% holding	Number of shares	% holding
Satya Simha Rao	421,250	31.30%	421,250	31.30%
Giridhar L	355,000	26.38%	355,000	26.38%
Robert H Tate	251,678	18.70%	251,678	18.70%

As per records of the Company, including its register of shareholders/ members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownership of shares.

d) Details of shares issued for consideration other than cash.

Description	Year of issue	Number of shares
Sweat equity shares of Rs. 10 each fully paid-up	2013-14	55,300
	2011-12	61,450
	2010-11	28,173

	(Amounts in Rupees)	
	2016	2015
Note 3 : Reserves and surplus		
Securities Premium Reserve		
Opening balance	4,934,250	4,934,250
	4,934,250	4,934,250
Surplus in Statement of Profit and Loss		
Profit brought forward	18,797,510	16,602,139
Current year surplus	5,033,225	2,520,483
Adjustment relating to Depreciation on Fixed Assets	-	(325,110)
	23,830,735	18,797,511
Foreign exchange Translation Reserve		
Opening balance	5,777,691	4,042,842
Additions during the year	976,815	1,734,849
Closing balance	6,754,506	5,777,691
	35,519,491	29,509,452
Note 4 : Long term borrowings		
Long term Loans		
Indian Rupee term loan - secured	3,071,534	4,839,452
Foreign currency term loans - secured	20,450,576	4,259,374
Indian Rupee term loan - unsecured	-	1,520,809
	23,522,110	10,619,635
Less: Current Maturities		
Indian Rupee term loan - secured	2,008,281	1,755,936
Foreign currency term loans - secured	9,927,412	1,524,379
Indian Rupee term loan - unsecured	-	1,520,809
	11,935,693	4,801,124
Amount disclosed under the head "Other current liabilities" (Note 8)	(11,935,693)	(4,801,124)
	11,586,417	5,818,511

A. Secured loans consist of the following from Kotak Mahindra Bank Ltd.:

1) Foreign currency term loan having original principal loan amount of USD 75,936.55 (equivalent to Rs. 4,500,000/- on date of disbursement) (balance as at 31st March, 2016 USD 43,779.55) carrying floating rate of interest of USD 6 months LIBOR plus 5% p.a. (5.65% at year end). The loan is repayable in 36 monthly instalments of USD 2,287 per month including interest, starting from 28th November, 2014.

2) Foreign currency term loan having original principal loan amount of USD 160,513.65 (equivalent to Rs. 10,000,000/- on date of disbursement) (balance as at 31st March, 2016 USD 122,960.65) carrying floating rate of interest of USD 6 months LIBOR plus 5% p.a. (5.82% at year end). The loan is repayable in 36 monthly instalments of USD 4,843 per month including interest, starting from 20th July, 2015.

3) Foreign currency term loan having original principal loan amount of USD 147,449.13 (equivalent to Rs. 10,000,000/- on date of disbursement) (balance as at 31st March, 2016 USD 141,572.13) carrying floating rate of interest of USD 6 months LIBOR plus 5% p.a. (5.88% at year end). The loan is repayable in 24 monthly instalments of USD 6,526 per month including interest, starting from 20th March, 2016.

4) Indian rupee loan having original principal loan amount of Rs. 5,500,000/ (balance as at 31st March, 2016 Rs. 3,071,534) carrying floating rate of interest of 12.25% p.a. at year end. The loan is repayable in 36 monthly instalments of Rs. 189,532 per month including interest, starting from 5th September 2014.

The above loans are in the nature of working capital term loans and secured by exclusive charge on all existing and future current assets/ moveable assets of the Company, collateral security of immovable properties of a promoter director and of a relative of a promoter director and personal guarantees of promoter directors and of a relative of a promoter director .

B. Unsecured loan availed from Standard Chartered Bank PLC

Unsecured loan availed from Standard Chartered Bank PLC (original loan amount Rs. 5,000,000/-) was repayable in 36 months starting from 1st January 2013 and carried interest at 18.45% p.a. was closed during the year.

	(Amounts in Rupees)	
	2016	2015
Note 5 : Long-term provisions		
Provision for Employee Benefits:		
(Refer Note 25.2 under notes to financial statements)		
Provision for Gratuity	5,283,833	4,205,272
Provision for Leave Encashment	3,434,368	2,804,197
	8,718,201	7,009,469
Note 6 : Short term borrowings		
Indian Rupee Overdraft loan - Secured	4,529,082	10,221,152
Foreign currency bill discounting loan - Secured	-	1,102,468
	4,529,082	11,323,620
Secured loans consist of the following from Kotak Mahindra Bank Ltd.:		
1. Indian Rupee Overdraft loan carrying floating rate of interest of 12.25% p.a. as at year end.		
2. Pre-shipment/ Foreign Bills discounting against export purchase orders/ invoices carries floating rate of interest of USD 6 months LIBOR plus 5% p.a.		
The above loans are secured by exclusive charge on all existing and future current assets/ moveable assets of the Company, collateral security of immovable properties of a promoter director and of a relative of a promoter director and personal guarantees of promoter directors and their relative.		
Note 7 : Trade payables		
Trade payables	7,005,394	11,167,205
	7,005,394	11,167,205
Trade payables include:		
- Rs. 104,500 (previous year Rs. 27,303) outstanding to Micro and Small Enterprises (no interest due) .This has been determined to the extent such parties have been identified on the basis of information available and obtained by the Company.		
- Rs. 4,762,260 (previous year Rs. 7,134,055) payable to related party		
Note 8 : Other current liabilities		
Statutory liabilities	1,513,253	1,312,397
Payable to employees	6,137,309	570,214
Advances from customers	-	2,935,119
Current maturities of long term borrowings (Note 4)	11,935,693	4,801,124
Interest accrued but not due on term loan	31,869	45,418
Other payables	3,659,904	1,097,932
Deferred revenue	5,853,543	-
	29,131,571	10,762,204
Note 9 : Short term provisions		
Provision for gratuity	369,492	75,865
Provision for leave encashment	317,973	186,673
	687,465	262,538
Note 10 : Deferred tax liability (Net)		
Deferred tax liability		
Fixed assets	5,370,358	1,233,725
	5,370,358	1,233,725
Deferred tax asset		
Provision for gratuity	1,746,877	1,322,871
Provision for leave encashment	1,159,473	924,179
Other expenses	172,142	16,223
	3,078,492	2,263,273
	2,291,866	(1,029,548)

AXIOM CONSULTING PRIVATE LIMITED

Notes to Financial Statements for the year ended 31st March 2016

Note 11
Tangible Assets

Changes in the carrying amount of tangible assets for the year ended 31st March 2016

(Amounts in Rupees)

Particulars	GROSS BLOCK				DEPRECIATION						NET BLOCK	
	As at 1-4-2015	Additions	Deletions	As at 31-03-2016	Upto 1-4-2015	For the year	Impairment	Adjustment	Deletion	Total upto 31-03-2016	As at 31-03-2016	As at 31-03-2015
Computers & Accessories	6,745,502	4,105,663	-	10,851,165	6,192,823	853,551	-	-	-	7,046,374	3,804,791	552,679
Plant & Machinery	1,125,248	-	-	1,125,248	1,086,567	41	-	-	-	1,086,608	38,640	38,681
Furniture & Fixtures	6,039,060	-	-	6,039,060	3,811,792	611,625	-	-	-	4,423,417	1,615,643	2,227,268
Office Equipments	1,519,687	153,973	-	1,673,660	1,277,830	163,628	-	-	-	1,441,458	232,202	241,857
Total	15,429,497	4,259,636	-	19,689,133	12,369,012	1,628,845	-	-	-	13,997,857	5,691,276	3,060,485

Changes in the carrying amount of tangible assets for the year ended 31st March 2015

(Amounts in Rupees)

Particulars	GROSS BLOCK				DEPRECIATION						NET BLOCK	
	As at 1-4-2014	Additions	Deletions	As at 31-03-2015	Upto 1-4-2014	For the year	Impairment	Adjustment *	Deletion	Total upto 31-03-2015	As at 31-03-2015	As at 31-03-2014
Computers & Accessories	6,743,852	314,144	312,494	6,745,502	5,281,092	1,026,890	-	194,039	309,198	6,192,823	552,679	1,462,760
Plant & Machinery	1,483,988	-	358,740	1,125,248	1,396,313	40,834	-	2	350,582	1,086,567	38,681	87,675
Furniture & Fixtures	6,145,391	-	106,331	6,039,060	2,938,595	952,772	-	16,019	95,594	3,811,792	2,227,268	3,206,796
Office Equipment	1,640,100	15,997	136,410	1,519,687	884,593	455,451	-	72,473	134,687	1,277,830	241,857	755,507
Total	16,013,331	330,141	913,975	15,429,497	10,500,593	2,475,947	-	282,533	890,061	12,369,012	3,060,485	5,512,738

* Pursuant to Schedule II of Companies Act, 2013 coming into force with effect from 1st April 2014, the useful life of assets have been recomputed in accordance with the said schedule and difference arising on accumulated depreciation upto 31st March 2014 has been included as 'Adjustment' and shown separately under Note 3 'Reserves and Surplus'.

Note 12

Intangible assets

Changes in the carrying amount of intangible assets for the year ended 31st March 2016

(Amounts in Rupees)

Particulars	GROSS BLOCK				AMORTISATION						NET BLOCK	
	As at 1-4-2015	Additions	Deletions	As at 31-03-2016	Upto 1-4-2015	For the year	Impairment	Adjustment	Deletion	Total upto 31-03-2016	As at 31-03-2016	As at 31-03-2015
Acquired Software	22,594,358	6,886,964	-	29,481,322	10,024,920	4,693,950	-	-	-	14,718,870	14,762,452	12,569,438
Internally Developed	-	25,313,076	-	25,313,076	-	4,921,987	-	-	-	4,921,987	20,391,089	-
Total	22,594,358	32,200,040	-	54,794,398	10,024,920	9,615,937	-	-	-	19,640,857	35,153,541	12,569,438

Changes in the carrying amount of intangible assets for the year ended 31st March 2015

(Amounts in Rupees)

Particulars	GROSS BLOCK				AMORTISATION						NET BLOCK	
	As at 1-4-2014	Additions	Deletions	As at 31-03-2015	Upto 1-4-2014	For the year	Impairment	Adjustment *	Deletion	Total upto 31-03-2015	As at 31-03-2015	As at 31-03-2014
Acquired Software	13,092,769	9,501,589	-	22,594,358	6,571,437	3,410,904	-	42,579	-	10,024,920	12,569,438	6,521,332
Internally Developed	3,309,534	-	3,309,534	-	2,444,679	-	864,855	-	3,309,534	-	-	864,855
Total	16,402,303	9,501,589	3,309,534	22,594,358	9,016,116	3,410,904	864,855	42,579	3,309,534	10,024,920	12,569,438	7,386,187

* Pursuant to Schedule II of Companies Act, 2013 coming into force with effect from 1st April 2014, the useful life of assets have been recomputed in accordance with the said schedule and difference arising on accumulated depreciation upto 31st March 2014 has been included as 'Adjustment' and shown separately under Note 3 'Reserves and Surplus' of Statement of Profit and Loss.

Intangible assets under development

Changes in the carrying amount of intangible assets under development for the year ended 31st March 2016

(Amounts in Rupees)

Particulars	GROSS BLOCK				AMORTISATION						NET BLOCK	
	As at 1-4-2015	Additions	Deletions	As at 31-03-2016	Upto 1-4-2015	For the year	Impairment	Adjustment	Deletion	Total upto 31-03-2016	As at 31-03-2016	As at 31-03-2015
Under Development	21,770,969	4,524,001	25,313,076	981,895	-	-	-	-	-	-	981,895	21,770,969

Changes in the carrying amount of intangible assets under development for the year ended 31st March 2015

(Amounts in Rupees)

Particulars	GROSS BLOCK				AMORTISATION						NET BLOCK	
	As at 1-4-2014	Additions #	Deletions	As at 31-03-2015	Upto 1-4-2014	For the year	Impairment	Adjustment	Deletion	Total upto 31-03-2015	As at 31-03-2015	As at 31-03-2014
Under Development	15,530,170	6,240,799	-	21,770,969	-	-	-	-	-	-	21,770,969	15,530,170

Includes exchange difference of Rs. 1,643,070 pertaining to Intangible assets under development in US branch.

	2016	2015
Note 13 : Non-current investments		
Investment in Unquoted Equity Shares, at cost		
In Subsidiary companies:		
Axiom Product Development Pte. Ltd., Singapore	3,378,933	3,378,933
85,000 Ordinary shares (previous year: 85,000) of face value of SGD 1/- each fully paid up		
Axiom Americas Inc., USA	59,360	59,360
1,000 Ordinary shares (previous year: 1,000) of face value of USD 1/- each fully paid up		
	3,438,293	3,438,293
Note 14 : Long term loans and advances		
<i>(Unsecured, considered good unless stated otherwise)</i>		
Security deposits	21,500	25,100
Staff advance	-	9,300
Other receivables from subsidiaries	4,175,572	11,280,597
	4,197,072	11,314,997
Note 15: Trade receivables		
<i>(Unsecured, considered good unless stated otherwise)</i>		
Outstanding for more than 6 months *	2,448,655	590,126
Outstanding less than 6 months **	17,660,710	16,150,809
	20,109,365	16,740,935
* Rupees 1,862,917 (previous year Rs. 0) is receivable from related parties		
** Rupees 2,832,101 (previous year Rs. 2,108,570) is receivable from related parties		
Note 16 : Cash and cash equivalents		
Balances with Banks:		
on Current accounts	10,198,774	1,518,911
on EEFC accounts	7,070,382	1,363,445
Cash on hand	12,101	9,451
	17,281,257	2,891,807
Note 17 : Short term loans and advances		
<i>(Unsecured, considered good unless stated otherwise)</i>		
Deposits	1,066,330	1,246,092
Staff advances	186,162	24,000
Other advances	1,144,581	126,700
Prepaid expenses	1,518,867	917,224
Loans & advances to subsidiary company	4,767,259	4,406,710
Advance taxes (net of provision for taxation)	4,551,529	1,000,482
Balances with Service Tax department	3,213,284	1,840,205
	16,448,012	9,561,413
Note 18 : Other current assets		
Unbilled revenue	3,793,106	1,361,267
Other receivables from subsidiary and associate companies	5,833,190	5,571,367
	9,626,296	6,932,634

AXIOM CONSULTING PRIVATE LIMITED

Notes to Financial Statements for the year ended 31st March 2016



(Amounts in Rupees)

	2016	2015
Note 19 : Revenue from operations		
Income from research, design & product development services	127,899,721	106,787,117
	127,899,721	106,787,117
Note 20 : Other income		
Other services to subsidiaries	5,716,318	7,621,686
Dividend from subsidiary company	-	2,017,475
Exchange fluctuation gain (net)	99,253	-
Profit on sale of assets (net)	-	64,852
Interest on bank deposits	-	14,983
	5,815,571	9,718,996
Note 21 : Employee benefits expenses		
Salaries and allowances	71,289,221	56,548,149
Contribution to provident and other funds	2,915,847	2,404,668
Gratuity	1,612,572	1,363,851
Leave encashment	1,614,188	2,332,507
Staff welfare	1,883,895	1,414,411
	79,315,723	64,063,586
Note 22 : Other expenses		
Product design expenses	4,808,630	8,001,278
Rent	4,294,483	5,385,083
Power & water	990,583	1,066,717
Repairs and maintenance	3,212,478	2,576,178
Hire charges	1,665,918	2,187,483
Rates, taxes and duties	347,290	1,551
Insurance	645,594	719,910
Travelling & conveyance	5,527,320	4,305,707
Internet & communication charges	1,573,151	1,601,253
Auditors remuneration	433,000	235,927
Professional charges	5,192,280	7,062,586
Exchange fluctuation loss (net)	-	1,729,730
Business development Expenses	1,755,047	2,748,070
Miscellaneous expenses	1,696,723	1,396,499
	32,142,497	39,017,972
Note 23 : Finance cost		
Interest on loans	2,010,540	1,928,062
Other interest	-	95,948
Bank charges	620,413	1,478,361
	2,630,953	3,502,371
Note 24 : Depreciation & Amortization		
Depreciation	1,628,845	2,475,947
Amortization	9,615,937	3,410,904
Impairment of intangibles	-	864,855
	11,244,782	6,751,706

AXIOM CONSULTING PRIVATE LIMITED

Notes to Financial Statements for the year ended 31st March 2016


Note 25 : Notes forming part of Balance Sheet and Statement of Profit and Loss

(Amounts in Rupees)

1 Earnings Per share (EPS)	2016	2015
Net Profit / (Loss) for Calculation of Basic and Diluted EPS	5,033,225	2,520,485
Weighted Average no of shares outstanding during the year	1,345,752	1,345,752
Weighted Average no of shares used to compute diluted EPS	1,345,752	1,345,752
Earnings Per Share		
- Basic	3.74	1.87
- Diluted	3.74	1.87

2 Employee benefits - Post employment benefit plans
Defined contribution plans

The Company makes contributions, determined as a specified percentage of employees salaries, in respect of qualifying employees towards provident fund, which is a defined contribution plan. The Company has no obligation other than this to make specified contributions. The contributions are charged to the Statement of Profit and Loss as they accrue. The amount recognised as an expense towards contribution to provident fund in respect of salaries paid in India for the year aggregated to Rs. 2,658,362 (previous year Rs. 2,153,647).

Defined benefit plans

The following table summarize the components of net benefit expense recognized in the Statement of Profit and Loss and the funded status and amounts recognized in the Balance Sheet for the respective plans:

Statement of Profit and Loss - Employee benefits expense	Compensated absences		Gratuity	
	2016	2015	2016	2015
Current service cost	401,420	782,514	643,586	770,032
Interest cost on benefit obligation	239,780	68,278	343,222	307,665
Net actuarial loss/ (gain) recognised	972,989	1,481,715	625,767	286,154
Net benefit expense	1,614,189	2,332,507	1,612,575	1,363,851
Balance Sheet	Compensated absences		Gratuity	
	2016	2015	2016	2015
Defined benefit obligation	3,752,342	2,990,870	5,653,328	4,281,137
Plan (asset)/ liability	3,752,342	2,990,870	5,653,328	4,281,137
Changes in the present value of the defined benefit obligation				
Opening defined benefit obligation	2,990,870	758,648	4,281,137	3,418,502
Interest cost	239,780	68,278	343,222	307,665
Current service cost	401,420	782,514	643,586	770,032
Benefits paid	(852,717)	(100,285)	(240,384)	(501,216)
Actuarial (gains)/losses on obligation	972,989	1,481,715	625,767	286,154
Closing defined benefit obligation	3,752,342	2,990,870	5,653,328	4,281,137
Investment details of plan assets (Not externally funded)			2016	2015
The principal assumptions used in determining gratuity obligation:				
Discount rate			7.80%	8.00%
Increase in compensation cost			6.80%	6.80%

Notes:

The estimates of future salary increases, considered in actuarial valuation, take into account inflation, seniority, promotion and other factors including supply and demand of manpower. Employee turnover estimates vary based on service length.

Particulars	2016	2015	2014	2013	2012
Amounts for the current year and previous years are as follows:					
Experience adjustment					
Defined Benefit obligation	5,653,328	4,281,137	3,418,497	3,227,375	2,322,450
Surplus / (Deficit)	(5,653,328)	(4,281,137)	(3,418,497)	(3,227,375)	(2,322,450)

AXIOM CONSULTING PRIVATE LIMITED

Notes to Financial Statements for the year ended 31st March 2016



(Amounts in Rupees)

3 Related party disclosures**(a) Names of related parties and relationship**

Name	Relationship
Satya Simha Rao	Director & Key management personnel
Giridhar L	Director & Key management personnel
Srinivas Mantripragada	Director & Key management personnel
Axiom Product Development Pte Ltd, Singapore	Wholly Owned Foreign Subsidiary Company
Axiom Americas Inc., USA	Wholly Owned Foreign Subsidiary Company
Axiom Product Development LLC, USA	Associate Company - Subsidiary of Axiom Americas Inc., USA

Summary of transactions with related parties during the year:**I. Managerial Remuneration**

	At start of the year	Payable	Paid	Balance payable
Satya Simha Rao	-	3,790,200	3,474,350	315,850
Giridhar L	-	3,790,200	3,474,350	315,850
Srinivas Mantripragada	-	8,898,236	7,448,828	1,449,408

II. Investments in Equity Shares

	2016	2015
Axiom Americas Inc., USA	59,360	59,360
Axiom Product Development Pte Ltd, Singapore	3,378,933	3,378,933

III. Other transactions during the year

	Holding company	Subsidiary companies	Associate company	Total
Rendering of services - 2016	11,286,643	-	3,264,463	14,551,106
-2015	9,571,501	-	(1,891,564)	7,679,937
Receiving of services - 2016	3,264,463	1,656,697	9,629,946	14,551,106
-2015	(1,891,564)	239,094	9,332,407	7,679,937

IV. Loans, advances, repayment and year end balances

	At start of the year	Received	Repaid	Foreign exchange impact	At end of the year
Axiom Product Development Pte Ltd, Singapore - Receivable	4,645,804	1,656,697	(1,279,911)	360,549	5,383,139
Axiom Product Development Pte Ltd, Singapore - Payable	7,134,055	51,384	(2,857,827)	439,648	4,767,260
Axiom Product Development LLC, USA	14,781,306	16,885,110	(21,792,784)	38,696	9,912,328
Axiom Americas Inc., USA	3,940,133	-	-	235,437	4,175,570

4 Earnings and Expenditure in Foreign Currency

	2016	2015
Earnings in foreign exchange	123,201,458	108,757,848
Expenditure in foreign currency	7,679,686	5,841,982

5 The Ministry of Micro, Small and Medium Enterprises has issued an Office Memorandum dated 26 August 2008 which recommends that the Micro and Small Enterprises should mention in their correspondence with its customers the Entrepreneurs Memorandum Number as allotted after filing of the Memorandum.

Accordingly, the Company has obtained information from its suppliers regarding registration under the MSMED Act. The disclosure in respect of amount payable to such entities has been made in the financial statements based on the information provided to the Company. Further in the view of the Management, the impact of interest, if any, that may be payable in accordance with the provisions of the said Act is not material. The Company has not received any claim for interest from any supplier under the said Act.

AXIOM CONSULTING PRIVATE LIMITED

Notes to Financial Statements for the year ended 31st March 2016

**Note 25 : Notes forming part of Balance Sheet and Statement of Profit and Loss**

(Amounts in Rupees)

6 Auditors' remuneration	2016	2015
Statutory audit fee	150,000	125,000
Tax audit fee	25,000	25,000
Cerification charges	130,500	-
Taxation services	185,000	-
Other Services	100,000	85,927
Total	590,500	235,927

7 Expenditure capitalised during the year

During the year, the company has capitalised the following expenses of revenue nature to the cost of intangibles under development. Consequently, expenses disclosed under the respective notes are net of the below amounts:

	2016	2015
Salaries	3,843,986	3,274,481
Travelling & conveyance	261,648	-
Professional charges	39,365	145,668
Miscellaneous expenses	-	272,091
Total	4,144,999	3,692,240

8 Previous year figures have been regrouped, rearranged and recast, wherever necessary, to conform to current year's presentation.

As per our report of even date

For Guru & Jana
Chartered Accountants
Firm Registration No.006826S

Sd/-

M. Guru Prasad
Partner
Membership No: 200714

For and on behalf of the Board of Directors of
Axiom Consulting Private Limited

Sd/-

Satya Simha Rao
Chairman & Managing Director
DIN: 00350297

Sd/-

Giridhar Lakshminarayana
Director
DIN: 01553968

Place: Bangalore
Date: 11th July, 2016

AXIOM CONSULTING PRIVATE LIMITED

CONSOLIDATED FINANCIAL STATEMENTS

2015-16

INDEPENDENT AUDITOR'S REPORT

**TO
THE MEMBERS OF
AXIOM CONSULTING PRIVATE LIMITED**

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of **AXIOM CONSULTING PRIVATE LIMITED** (hereinafter referred to as "the Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group") comprising of the Consolidated Balance Sheet as at 31st March, 2016, the Consolidated Statement of Profit and Loss, the Consolidated Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

Management's Responsibility for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation of these consolidated financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group 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. The respective Board of Directors of the companies or those charged with governance included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the 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, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. While conducting the 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.

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 consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the consolidated 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 Holding Company has an adequate internal financial controls system over financial reporting in place 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 Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements. We have conducted an audit of the holding Company's standalone financials. For the purpose of review of the consolidated financial statement, for Axiom Americas Inc (subsidiary Company) and Axiom Product Development LLC (step-down subsidiary) audit was conducted by us as at year ended 31st March, 2016.

We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in sub-paragraph (a) of the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, except for the effects of the matter described in the Auditor's Responsibility Statements above, the aforesaid consolidated 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 consolidated state of affairs of the Group, as at 31st March, 2016, and their consolidated profit/loss and their consolidated cash flows for the year ended on that date.

Other Matters

- (a) We have not audited the financial statements of Axiom Product Development Pte Ltd. (subsidiary Company) whose financial statements reflect total assets of Rs. 69,76,898 (SGD 1,41,960) as at 31st March, 2016, total revenues of Rs. 1,27,44,799 (SGD 2,70,230) and net cash flows amounting to Rs 27,17,904/- for the year ended on that date, as considered in the consolidated financial statements. These financial statements / financial information have been audited by Chartered Accountants of Singapore whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiary and our report in terms of sub-sections (3) and (11) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiary, is based solely on the reports of the other auditors.
- (b) As per the written representation received from the Management and those charged with governance, the subsidiaries shall comply with the applicable law and regulations relating to maintenance of books of accounts, financials records of the Company, management of the affairs of the Company and compliance with the regulations of the state.
- (c) We have not received the bank confirmations for the subsidiary Company Axiom Americas Inc, however we have obtained account statements.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements / financial information certified by the Management.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, the said Order is not applicable to the auditor's report on consolidated financial statements.
2. As required by Section 143 (3) of the Act, we report, to the extent applicable, that:
 - (a) We have sought and, except for the possible effect of the matter described in sub-paragraph (a) & (b) of Basis for Opinion above, obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
 - (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.
 - (c) Except for the matter described in sub-paragraph (a) & (b) of Opinion paragraph above, the reports on the accounts of its subsidiaries, audited under Section 143 (8) of the Act by the other auditors, as applicable, have been properly dealt with in preparing this report.
 - (d) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
 - (e) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - (f) On the basis of the written representations received from the directors of the Holding Company as on 31st March, 2016 taken on record by the Board of Directors of the Holding Company, none of the directors of the Group's companies, is disqualified as on 31st March, 2016 from being appointed as a director in terms of Section 164 (2) of the Act.

- (g) With regards to the matter to be reported under sub clause (i) of Sub section (3) of Sec 143, reporting on the Internal Financial Controls of the Company, and the guidance notes issued by the Institute of Chartered Accountants of India, since the components included in the Consolidated Financial Statements are not regulated by the Companies Act, 2013, hence there is no matter to be reported. The effectiveness of the Internal Controls of the Holding Company has been reported with the standalone financials of the Company.
- (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i. There are no pending litigations on the consolidated financial position of the Group. Hence the said clause is not applicable.
 - ii. The Group did not have any material foreseeable losses on long-term contracts including derivative contracts.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company, and its subsidiary companies. Hence this clause is not applicable.

For Guru & Jana,
Chartered Accountants
Firm's Registration No. 006826S

Sd/-

Guru Prasad M.
Partner
Membership No. 200714

Place: Bangalore
Date: 11 July 2016

AXIOM CONSULTING PRIVATE LIMITED

CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH 2016



Particulars	Note	(Amounts in Rupees)
Equity and Liabilities		
<i>Shareholders' Funds</i>		
Share capital	2	13,457,520
Reserves and surplus	3	59,550,064
<i>Non-current Liabilities</i>		
Long term borrowings	4	11,586,417
Long term provisions	5	8,718,201
<i>Current Liabilities</i>		
Short term borrowings	6	4,529,082
Trade payables	7	15,901,148
Other current liabilities	8	44,217,232
Short-term provisions	9	4,507,277
Deferred tax liability	10	2,291,866
		164,758,807
Assets		
<i>Non-current Assets</i>		
Fixed assets		
Tangible assets	11	10,087,246
Intangible assets	12	36,076,682
Intangible assets under development	12	981,895
Long term loans and advances	13	21,500
<i>Current Assets</i>		
Trade receivables	14	53,792,901
Cash and cash equivalents	15	42,151,193
Short term loans and advances	16	13,794,225
Other current assets	17	7,853,165
		164,758,807
<i>Significant accounting policies</i>	1	

The accompanying notes are an integral part of the Financial Statements

As per our report of even date

For Guru & Jana
Chartered Accountants
Firm Registration No.006826S

For and on behalf of the Board of Directors

Sd/-

M. Guru Prasad
Partner
Membership No: 200714

Sd/-

Satya Simha Rao
Chairman & Managing Director
DIN: 00350297

Sd/-

Giridhar Lakshminarayana
Director
DIN: 01553968

Place: Bangalore
Date: 11th July, 2016

AXIOM CONSULTING PRIVATE LIMITED

CONSOLIDATED PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH 2016

Particulars	Note	(Amounts in Rupees)
Income		
Revenue from operations	18	406,922,755
Other income	19	77,468
		407,000,223
Expenses		
Employee benefits expenses	20	251,731,131
Other expenses	21	98,121,820
		349,852,951
Earnings before interest, tax, depreciation and amortization (EBITDA)		57,147,272
Finance cost	22	3,879,387
Depreciation, amortisation and impairment	23	14,903,523
Profit before tax		38,364,362
Tax expenses		
Current tax		10,045,543
MAT credit		(1,597,064)
Deferred tax charge/ (credit)		3,321,415
Profit after tax		26,594,468
Significant accounting policies	1	

The accompanying notes are an integral part of the Financial Statements

As per our report of even date

For Guru & Jana
Chartered Accountants
Firm Registration No.006826S

For and on behalf of the Board of Directors

Sd/-

M. Guru Prasad
Partner
Membership No: 200714

Sd/-

Satya Simha Rao
Chairman & Managing Director
DIN: 00350297

Sd/-

Giridhar Lakshminarayana
Director
DIN: 01553968

Place: Bangalore
Date: 11th July, 2016

AXIOM CONSULTING PRIVATE LIMITED
CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2016

Particulars (Amounts in Rupees)

Cash Flow from Operating Activities

Net profit after tax	26,594,468
Adjustments for:	
Net Income tax for current period	8,448,480
Depreciation	14,903,523
Interest expense	2,682,406
Operating profit before working capital changes	52,628,877
Movement in trade receivables	(12,483,983)
Movement in deferred tax	3,319,448
Movement in long term loans and advances	7,117,925
Movement in short term loans and advances	(909,732)
Movement in other current assets	(8,042,834)
Movement in long term provisions	1,708,732
Movement in trade payables	2,513,821
Movement in other current liabilities	14,939,887
Movement in short-term provisions	726,690
Cash from operating activities	61,518,831
Tax payable	-
Net Cash from operating activities	61,518,831

Cash Flow from Investing Activities

Purchase of fixed assets	(15,643,205)
Capitalisation of intangible assets under development	(4,524,001)
Net cash used in investing activities	(20,167,206)

Cash Flow from Financing Activities

Movement in long term borrowings	5,767,906
Movement in short term borrowings	(6,794,538)
Interest paid	(2,682,406)
Net cash used in financing activities	(3,709,038)

Net movement in cash and cash equivalents
37,642,587
Cash and cash equivalents at beginning of period

12,009,799

Effect of exchange difference due to translation of foreign currency items

947,288

Cash and cash equivalents at end of period
42,151,193
Cash and Cash Equivalents

Cash and cash equivalents consist of cash on hand and balances with banks. Cash and cash equivalents included in the cash flow statement comprise the following balance sheet amounts:

Balances with banks on current accounts	34,902,340
Balances with banks on EEFC accounts	7,070,382
Cash in hand	178,471
Cash and cash equivalents as restated	42,151,193

The accompanying notes are an integral part of the Financial Statements

As per our report of even date

For Guru & Jana
Chartered Accountants
Firm Registration No.006826S

For and on behalf of the Board of Directors

Sd/-

Sd/-

Sd/-

M. Guru Prasad
Partner
Membership No: 200714

Satya Simha Rao
Chairman & Managing Director
DIN: 00350297

Giridhar Lakshminarayana
Director
DIN: 01553968

Place: Bangalore
Date: 11th July, 2016

AXIOM CONSULTING PRIVATE LIMITED

Notes to Consolidated Financial Statements for the year ended 31st March 2016

(Amounts in Rupees)

Note 2 : Share Capital

Authorised

1,500,000 Equity Shares of Rs.10/- each (previous year 1,500,000) 15,000,000

15,000,000

Issued, subscribed and fully paid-up

1,345,752 Equity Shares of Rs.10/- each (previous year 1,345,752) 13,457,520

13,457,520

(a) Reconciliation of the shares outstanding at the beginning and at the end of the reporting period

Particulars	As at 31 March, 2016	
	Number of shares	Amount
As at the beginning of the year	1,345,752	13,457,520
Issued during the year	-	-
Outstanding at the end of the year	1,345,752	13,457,520

b) 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. The Company declares and pays dividends in Indian Rupees. During the year, the company has not declared any dividend.

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. The distribution will be in proportion to the number of equity shares held by the Share holders.

c) Details of shareholders holding more than 5% of equity shares in the Company

Equity shares of Rs. 10 each fully paid	As at 31 March, 2016	
	Number of shares	% holding
Satya Simha Rao	421,250	31.30%
Giridhar L	355,000	26.38%
Robert H Tate	251,678	18.70%

As per records of the Company, including its register of shareholders/ members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownership of shares.

d) Details of shares issued for consideration other than cash.

Description	Year of issue	Number of shares
Sweat equity shares of Rs. 10 each fully paid	2013-14	55,300
	2011-12	61,450
	2010-11	28,173

AXIOM CONSULTING PRIVATE LIMITED

Notes to Consolidated Financial Statements for the year ended 31st March 2016

(Amounts in Rupees)

Note 3 : Reserves and surplus

Securities Premium Reserve

Opening balance	4,934,250
	4,934,250

Surplus in Statement of Profit and Loss

Profit brought forward	20,933,670
Current year surplus	26,594,468
	47,528,138

Foreign exchange Translation Reserve

Opening balance	5,777,691
Additions during the year	1,309,985
Closing balance	7,087,676

59,550,064

Note 4 : Long term borrowings

Long term Loans

Indian Rupee Term Loan - Secured	3,071,534
Foreign Currency Term Loans - Secured	20,450,576
	23,522,110

Less: Current Maturities

Indian Rupee Term Loan - Secured	2,008,281
Foreign Currency Term Loan - Secured	9,927,412
	11,935,693

Amount disclosed under the head "other current liabilities" (Note 8)	(11,935,693)
	11,586,417

Secured loans consist of the following from Kotak Mahindra Bank Ltd.:

- 1) Foreign currency term loan having original principal loan amount of USD 75,936.55 (equivalent to Rs. 4,500,000/- on date of disbursement) (balance as at 31st March, 2016 USD 43,779.55) carrying floating rate of interest of USD 6 months LIBOR plus 5% p.a. (5.65% at year end). The loan is repayable in 36 monthly instalments of USD 2,287 per month including interest, starting from 28th November, 2014.
- 2) Foreign currency term loan having original principal loan amount of USD 160,513.65 (equivalent to Rs. 10,000,000/- on date of disbursement) (balance as at 31st March, 2016 USD 122,960.65) carrying floating rate of interest of USD 6 months LIBOR plus 5% p.a. (5.82% at year end). The loan is repayable in 36 monthly instalments of USD 4,843 per month including interest, starting from 20th July, 2015.
- 3) Foreign currency term loan having original principal loan amount of USD 147,449.13 (equivalent to Rs. 10,000,000/- on date of disbursement) (balance as at 31st March, 2016 USD 141,572.13) carrying floating rate of interest of USD 6 months LIBOR plus 5% p.a. (5.88% at year end). The loan is repayable in 24 monthly instalments of USD 6,526 per month including interest, starting from 20th March, 2016.
- 4) Indian rupee loan having original principal loan amount of Rs. 5,500,000/ (balance as at 31st March, 2016 Rs. 3,071,534.11) carrying floating rate of interest of 12.25% p.a. at year end. The loan is repayable in 36 monthly instalments of Rs. 189,532 per month including interest, starting from 5th September 2014.

The above loans are in the nature of working capital term loans and secured by exclusive charge on all existing and future current assets/ moveable assets of the Company, collateral security of immovable properties of a promoter director and of a relative of a promoter director and personal guarantees of promoter directors and of a relative of a promoter director .

Note 5 : Long-term provisions

Provision for Employee Benefits:

Provision for Gratuity	5,283,833
Provision for Leave Encashment	3,434,368
	8,718,201

AXIOM CONSULTING PRIVATE LIMITED

Notes to Consolidated Financial Statements for the year ended 31st March 2016

(Amounts in Rupees)

Note 6 : Short term borrowings

Indian Rupee Overdraft loan - Secured	4,529,082
	4,529,082

Secured loans consist of the following from Kotak Mahindra Bank Ltd.:

- 1) Foreign currency term loan having original principal loan amount of USD 75,936.55 (equivalent to Rs. 4,500,000/- on date of disbursement) (balance as at 31st March, 2016 USD 43,779.55) carrying floating rate of interest of USD 6 months LIBOR plus 5% p.a. (5.65% at year end). The loan is repayable in 36 monthly instalments of USD 2,287 per month including interest, starting from 28th November, 2014.
- 2) Foreign currency term loan having original principal loan amount of USD 160,513.65 (equivalent to Rs. 10,000,000/- on date of disbursement) (balance as at 31st March, 2016 USD 122,960.65) carrying floating rate of interest of USD 6 months LIBOR plus 5% p.a. (5.82% at year end). The loan is repayable in 36 monthly instalments of USD 4,843 per month including interest, starting from 20th July, 2015.
- 3) Foreign currency term loan having original principal loan amount of USD 147,449.13 (equivalent to Rs. 10,000,000/- on date of disbursement) (balance as at 31st March, 2016 USD 141,572.13) carrying floating rate of interest of USD 6 months LIBOR plus 5% p.a. (5.88% at year end). The loan is repayable in 24 monthly instalments of USD 6,526 per month including interest, starting from 20th March, 2016.
- 4) Indian rupee loan having original principal loan amount of Rs. 5,500,000/ (balance as at 31st March, 2016 Rs. 3,071,534.11) carrying floating rate of interest of 12.25% p.a. at year end. The loan is repayable in 36 monthly instalments of Rs. 189,532 per month including interest, starting from 5th September 2014.

The above loans are in the nature of working capital term loans and secured by exclusive charge on all existing and future current assets/ moveable assets of the Company, collateral security of immovable properties of a promoter director and of a relative of a promoter director and personal guarantees of promoter directors and of a relative of a promoter director .

Note 7 : Trade payables

Trade payables	15,901,148
	15,901,148

Note 8 : Other current liabilities

Statutory liabilities	4,479,940
Payable to employees	8,044,291
Current maturities of long term borrowings (Note 4)	11,935,693
Interest accrued but not due on Term Loan	31,869
Other payables	13,473,916
Deferred revenue	6,251,523
	44,217,232

Note 9 : Short term provisions

Provision for income tax (net of advance taxes)	3,819,812
Provision for gratuity	369,492
Provision for leave encashment	317,973
	4,507,277

Note 10 : Deferred tax liability (Net)

Deferred tax liability

Fixed assets	5,370,358
	5,370,358

Deferred tax asset

Provision for Gratuity	1,746,877
Provision for Leave encashment	1,159,473
Other expenses	172,142
	3,078,492
	2,291,866

AXIOM CONSULTING PRIVATE LIMITED

Notes to Consolidated Financial Statements for the year ended 31st March 2016

Note 11

Tangible Assets

Changes in the carrying amount of tangible assets for the year ended 31st March 2016

(Amounts in Rupees)

Particulars	GROSS BLOCK				DEPRECIATION					NET BLOCK	
	As at 1-4-2015	Additions	Deletions	As at 31-03-2016	Upto 1-4-2015	For the year	Impairment	Deletion	Total upto 31-03-2016	As at 31-03-2016	As at 31-03-2015
Computers & Accessories	9,266,609	4,380,839	-	13,647,448	8,146,299	1,384,340	-	-	9,530,639	4,116,809	1,120,310
Plant & Machinery	1,125,248	-	-	1,125,248	1,086,567	41	-	-	1,086,608	38,640	38,681
Furniture & Fixtures	8,743,556	-	-	8,743,556	4,514,408	1,427,197	-	-	5,941,605	2,801,951	4,229,148
Office Equipments	2,807,606	313,284	-	3,120,890	1,588,218	621,628	-	-	2,209,846	911,044	1,219,388
Equipment on Lease	-	3,560,971	-	3,560,971	-	1,342,169	-	-	1,342,169	2,218,802	-
Total	21,943,019	8,255,094	-	30,198,113	15,335,492	4,775,375	-	-	20,110,867	10,087,246	6,607,527

AXIOM CONSULTING PRIVATE LIMITED

Notes to Consolidated Financial Statements for the year ended 31st March 2016

Note 12

Intangible assets

Changes in the carrying amount of intangible assets for the year ended 31st March 2016

(Amounts in Rupees)

Particulars	GROSS BLOCK				AMORTISATION					NET BLOCK	
	As at 1-4-2015	Additions	Deletions	As at 31-03-2016	Upto 1-4-2015	For the year	Impairment	Deletion	Total upto 31-03-2016	As at 31-03-2016	As at 31-03-2015
Acquired Software	25,203,880	7,388,111	-	32,591,991	11,711,308	5,195,090	-	-	16,906,398	15,685,593	13,492,572
Internally Developed	-	25,313,076	-	25,313,076	-	4,921,987	-	-	4,921,987	20,391,089	-
Total	25,203,880	32,701,187	-	57,905,067	11,711,308	10,117,077	-	-	21,828,385	36,076,682	13,492,572

Internally developed intangible assets represents the proprietary software 'VEOL' which was part of Assets Under Development till last year. The same has been capitalised during the year and considered for amortisation in next 3 years starting from 1st September 2015 onwards.

Intangible assets under development

Changes in the carrying amount of intangible assets under development for the year ended 31st March 2016

(Amounts in Rupees)

Particulars	GROSS BLOCK				AMORTISATION					NET BLOCK	
	As at 1-4-2015	Additions	Deletions	As at 31-03-2016	Upto 1-4-2015	For the year	Impairment	Deletion	Total upto 31-03-2016	As at 31-03-2016	As at 31-03-2015
Under Development	21,770,970	4,524,001	25,313,076	981,895	-	-	-	-	-	981,895	21,770,970

AXIOM CONSULTING PRIVATE LIMITED

Notes to Consolidated Financial Statements for the year ended 31st March 2016

(Amounts in Rupees)

Note 13 : Long term loans and advances

(Unsecured, considered good unless stated otherwise)

Security Deposits	21,500
	21,500

Note 14 : Trade receivables

(Unsecured, considered good unless stated otherwise)

Outstanding for more than 6 months	585,738
Outstanding less than 6 months	53,207,163
	53,792,901

Note 15 : Cash and cash equivalents

Cash and cash equivalents:

Balances with Banks:	
on Current accounts	34,902,340
on EEFC accounts	7,070,382
Cash on hand	178,471
	42,151,193

Note 16 : Short term loans and advances

(Unsecured, considered good unless stated otherwise)

Deposits	1,476,615
Staff Advances	315,320
Other Advances	1,220,418
Prepaid expenses	1,927,246
Advance taxes (net of provision for taxation)	4,551,529
Balances with Service Tax department	4,303,097
	13,794,225

Note 17 : Other Current Assets

Unbilled Revenue	7,853,165
	7,853,165

AXIOM CONSULTING PRIVATE LIMITED**Notes to Consolidated Financial Statements for the year ended 31st March 2016**

(Amounts in Rupees)

Note 18 : Revenue from operations

Income from research, design & product development services	406,922,755
	<u><u>406,922,755</u></u>

Note 19 : Other income

Exchange fluctuation gain (net)	77,468
	<u><u>77,468</u></u>

Note 20 : Employee benefits expenses

Salaries and allowances	224,354,604
Contribution to provident and other funds	14,048,391
Gratuity	1,612,572
Leave encashment	1,614,188
Staff welfare	10,101,376
	<u><u>251,731,131</u></u>

Note 21 : Other expenses

Product design expenses	26,006,942
Rent	15,960,727
Power & water	2,727,362
Repairs and maintenance	6,197,556
Hire charges	1,909,012
Rates, taxes and duties	1,023,775
Insurance	1,162,169
Travelling & conveyance	9,154,362
Internet & communication charges	6,753,873
Auditors remuneration	934,717
Professional charges	21,379,457
Business development Expenses	991,948
Miscellaneous expenses	3,919,920
	<u><u>98,121,820</u></u>

Note 22 : Finance cost

Interest on loans	2,190,236
Lease finance charges	492,169
Bank charges	1,196,982
	<u><u>3,879,387</u></u>

Note 23 : Depreciation & Amortization

Depreciation	5,287,586
Amortization	9,615,937
	<u><u>14,903,523</u></u>

AXIOM CONSULTING PRIVATE LIMITED

Notes to Consolidated Financial Statements for the year ended 31st March 2016

Significant Accounting Policies

Company overview

Axiom Consulting Private Limited ('the Company') was incorporated as a private limited company under the Indian Companies Act, 1956 on 19th June 2001 and is domiciled in India.

The Company provides engineering design, testing, prototype development and related services and sale/ licensing of internally developed intangible products and their related services. It has branches in USA and Belgium and wholly owned subsidiaries in USA and Singapore.

Note 1 : Significant accounting policies

1 Basis of preparation of financial statements

The consolidated financial statements of the Company have been prepared in accordance with the generally accepted accounting principles in India. The Company has prepared these financial statements to comply in all material respects with the Accounting Standards notified under Section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules 2014, on an accrual basis and under the historical cost convention. The Accounting policies have been applied consistently except to the extent of change required under a new or revised Accounting Standard. The financial statements are presented in Indian Rupees and rounded off to nearest rupee. The Management evaluates all recently issued or revised Accounting Standards on an on-going basis.

The Company is a Small and Medium sized company as defined in the General Instructions in respect of the Accounting Standards notified under Section 133 of the Companies Act 2013. Accordingly, the Company has complied with the Accounting Standards as applicable to a Small and Medium Sized Company.

The consolidated financial statements are prepared in accordance with the principles and procedures required for the preparation and presentation of consolidated financial statements as laid down under the Accounting Standard (AS) 21, "Consolidated Financial Statements". The consolidated financial statements comprise the financial statements of the company and its subsidiaries, combined on a line-by-line basis by adding together book values of like items of assets, liabilities, income and expenses after eliminating intra-group balances and transactions and resulting unrealised gain/loss. The consolidated financial statements are prepared by applying uniform accounting policies in use at the Group.

2 Use of estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities as at the date of the financial statements and the results of operations during the reporting year. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from those estimates. Changes in estimates are reflected in the financial statements of the period in which the changes are made with material amounts being disclosed in the financial statements and/ or the notes to the financial statements.

3 Revenue Recognition

Revenue is derived from providing engineering design, testing, prototype development and related services and sale/ licensing of internally developed intangible products and related services related to their implementation and customisation. Revenue from services is recognised based on time and material and/ or fixed price contractual arrangements with customers and accrued when there is no uncertainty as to measurement of revenue or its collectability.

- a. Revenue from time and material contracts is recognised as the related services are performed.
- b. Revenue from fixed price contracts is recognised as the related services are performed by applying the percentage of completion method.
- c. Revenue from the sale of prototype is recognised when the property in the goods or all significant risks and rewards of ownership are transferred to the customer.
- d. Revenue from sale/ licensing of internally developed intangibles is recognised when license is issued to customer in case of sale or when services incidental to and necessary for use of the intangibles are performed in case of a sale and services agreement.
- e. Billing in excess of revenue recognized is classified as Deferred Revenue and revenue recognized in excess of billing is classified as Unbilled Revenue.

AXIOM CONSULTING PRIVATE LIMITED

Notes to Consolidated Financial Statements for the year ended 31st March 2016

Significant Accounting Policies

4 Tangible assets and depreciation

Tangible assets are stated at cost, less accumulated depreciation and impairment, if any. Direct costs relating to the acquisition and installation of tangible assets are capitalised. Cost of tangible assets not ready for their intended use as at the reporting date are included in "Capital works in progress".

Tangible leased assets acquired under finance lease are capitalised as owned assets at their fair value on date of acquisition. Fair value is the lower of minimum of future lease rentals or present value of lease rentals.

Depreciation is computed using written down value method, based on the prescribed useful lives for tangible assets specified under Schedule II of the Companies Act, 2013. Depreciation on assets purchased during the year is charged proportionately from the date of putting to use.

Leased assets capitalised as owned assets are depreciated over their primary period of lease.

5 Intangible assets and amortisation

Intangible assets comprise of acquired software and internally developed engineering solutions/ systems and software. Acquired intangibles are measured on initial recognition at cost. Subsequently, intangible assets are recognised at cost less accumulated amortization and any impairment. Internally developed intangible assets are capitalised at the development stage and all research costs are charged to Statement of Profit and Loss in the year in which the expenditure is incurred.

Intangible assets are amortised on straight line basis over the estimated useful economic life of the asset. The amortisation period and the amortisation method are reviewed at the end of each financial year. If the estimated useful life of the asset is significantly different from previous estimates, the amortisation period is changed accordingly.

6 Impairment

The carrying amounts of tangible assets and intangible assets are reviewed at each reporting date to determine if there is any indication of impairment of assets and the asset's recoverable amount is estimated. An impairment loss is recognised if the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the asset's net selling price and value in use.

For the purpose of impairment testing, assets are grouped together into the smallest group of assets (cash generating unit or CGU) that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGUs.

The recoverable amount of an asset or CGU is the greater of its value in use and its net selling price. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU. Impairment losses are recognised in statement of profit and loss. Impairment loss recognised in respect of a CGU is reduced by the carrying amounts of the other assets in the CGU on a pro-rata basis.

If at the balance sheet date there is an indication that a previously assessed impairment loss no longer exists or has decreased, the assets or CGU's recoverable amount is estimated and the impairment loss is reversed to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognised. Such a reversal is recognised in the Statement of Profit and Loss.

7 Investments

Investments that are readily realisable and intended to be held for not more than a year from the date of acquisition are classified as current investments. All other investments are classified as long-term investments. However, that part of long-term investment which is expected to be realised within twelve months of the reporting date is presented under 'current assets' as "current portion of long term investments" in accordance with the current/ non-current classification scheme of Schedule III.

Long-term investments (including current portion thereof) are carried at cost less any other than temporary diminution in value, determined separately for each individual investment.

Current investments are carried at the lower of cost or fair value. The comparison of cost and fair value is done separately in respect of each category of investment i.e., equity shares, preference shares, convertible debentures etc.

Any reduction in the carrying amount and any reversal of such reduction is charged or credited to the Statement of Profit and Loss.

AXIOM CONSULTING PRIVATE LIMITED

Notes to Consolidated Financial Statements for the year ended 31st March 2016

Significant Accounting Policies

8 Employee benefits

a. Defined Contribution Plans

These are plans in which the Company pays pre-defined percentage of employee's salary to separate funds and does not have any legal or informal obligation to pay additional sums. These comprise of contributions to the employees' provident fund maintained by the government. The Company's payment to the defined contribution plans are recognised as expenses during the period in which the employees perform services that the payment covers.

b. Defined Benefit Plans

Gratuity

The Company provides for gratuity, a defined benefit plan (Gratuity Plan). The liability with regard to gratuity plan is accrued based on actuarial valuation, based on Projected Unit Credit Method.

Leave Encashment

The employees of the Company are entitled to compensated absences which are both accumulating and non-accumulating. The estimated expenses of accumulated compensated absences are determined and accrued using actuarial valuation in respect of the unused entitlement accumulated as at reporting date. Expenses relating to non-accumulated compensated absences are recognized as expenditure in the period in which the absence occurs.

9 Sweat Equity Shares

The Company measures the compensation cost relating to sweat equity shares based on fair value determined by a valuer which is expensed in the period in which sweat equity shares are issued.

10 Borrowing Costs

Borrowing costs that are directly attributable to the acquisition, development, construction or production of a qualifying asset are capitalised as part of cost of such asset till such time as the asset is ready for its intended use or sale. A qualifying asset is an asset that necessarily requires a substantial period of time to be ready for its intended use or sale. All other borrowing costs are recognised as expenses in the period in which they are incurred.

11 Provisions and contingencies

A provision is recognised when an enterprise has a present 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 a reliable estimate can be made. Provisions are not discounted to their present value and are determined based on management estimates required to settle the obligation at the reporting date. These are reviewed at each reporting date and adjusted to reflect the current management estimates.

12 Foreign currency transactions

Foreign currency transactions during the year are recorded at the exchange rates prevailing on the date of the transaction. Foreign currency denominated monetary items are translated into rupees at the closing rates of exchange prevailing as at the reporting date. Non-monetary items, which are carried in terms of historical cost denominated in a foreign currency, are reported using the exchange rate at the date of the transaction. Exchange differences arising on the settlement of monetary items at rates different from those at which they are initially recorded, are recognized as income or as expenses in the year in which they arise.

AXIOM CONSULTING PRIVATE LIMITED

Notes to Consolidated Financial Statements for the year ended 31st March 2016

Significant Accounting Policies

The Company classifies all its foreign entities as either 'Integral foreign operations' or 'Non-integral foreign operations'. The financial statements of integral foreign operations are translated as if the transactions of such foreign operations have been those of the Company itself.

The assets and liabilities of non-integral foreign operations are translated into the reporting currency at the exchange rate prevailing at the reporting date and their Statement of Profit and Loss are translated at exchange rates prevailing at the dates of transaction or weighted average weekly rates, where such rates approximate the exchange rate at the date of transaction. The exchange difference arising on translation is accumulated in the foreign currency translation reserve. On disposal of a non-integral foreign operation, the accumulated foreign currency translation reserve relating to that foreign operation is recognised in the statement of profit and loss.

When there is a change in the classification of a foreign operation, the translation procedure applicable to the revised classification are applied prospectively.

The translation of financial statements of the foreign subsidiaries from the local currency to the reporting currency of the company is performed for balance sheet accounts using the exchange rate in effect at the balance sheet date and for revenue, expense and cash-flow items using a monthly average exchange rate for the respective periods and the resulting difference is presented as foreign currency translation reserve included in "reserves and surplus". When a subsidiary is disposed off, in part or in full, the relevant amount is transferred to profit or loss.

13 Income Tax

Tax expense comprises of current and deferred tax. Current tax is measured at the amount expected to be paid to the tax authorities in accordance with the Indian Income Tax Act. Deferred income taxes are recognised for the future tax effects attributable to timing differences between the determination of income and expenses for financial statement reporting purposes and their recognition for tax purposes. The effect on deferred tax assets and liabilities of a change in tax rates is recognised using the tax rates and tax laws that have been enacted or substantively enacted by the reporting date. Deferred tax assets are recognised and carried forward only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised. Unrecognised deferred tax assets of earlier years are re-assessed and recognised to the extent that it has become reasonably certain that future taxable income will be available against which deferred tax assets can be realised.

Minimum Alternative Tax ('MAT') under the provisions of the Indian Income-Tax Act, 1961 is recognised as part of current tax in the Statement of Profit and Loss. The credit available as per provisions of the Act in respect of MAT paid is recognised as an asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the period for which the MAT credit can be carried forward for or set-off against the normal tax liability. MAT credit is recognised as an asset and is reviewed at each balance sheet date and written down to the extent the aforesaid convincing evidence no longer exists.

14 Earnings per share

The basic earnings per share is computed by dividing the net profit after tax attributable to equity shareholders for the reporting period by the weighted average number of equity shares outstanding during the period. For the purpose of calculating diluted earnings per share, the net profit after tax attributable to equity share holders for the reporting period and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

AXIOM CONSULTING PRIVATE LIMITED

Notes to Consolidated Financial Statements for the year ended 31st March 2016

(Amounts in Rupees)

Note 25 : Notes forming part of Balance Sheet and Statement of Profit and Loss

1 Earnings Per share (EPS)

Net Profit / (Loss) for Calculation of Basic and Diluted EPS	26,594,468
Weighted Average no of shares outstanding during the year	1,345,752
Weighted Average no of shares used to compute diluted EPS	1,345,752
Earnings Per Share	
- Basic	19.76
- Diluted	19.76

2 Employee benefits - Post employment benefit plans

Defined contribution plans

The Company makes contributions, determined as a specified percentage of employees salaries or a fixed amount as applicable under the respective legislations, in respect of qualifying employees towards social security, which is a defined contribution plan. The Company has no obligation other than this to make specified contributions. The contributions are charged to the Statement of Profit and Loss as they accrue. The amount recognised as an expense towards contribution to provident fund in respect of salaries paid for the year aggregated to Rs. 137,90,906.

Defined benefit plans

The following table summarize the components of net benefit expense in India, recognized in the Statement of Profit and Loss and the funded status and amounts recognized in the Balance Sheet for the respective plans:

Statement of Profit and Loss - Employee benefits expense	Compensated absences	Gratuity
Current service cost	401,420	643,586
Interest cost on benefit obligation	239,780	343,222
Net actuarial loss/ (gain) recognised	972,989	625,767
Net benefit expense	1,614,189	1,612,575
Balance Sheet	Compensated absences	Gratuity
Defined benefit obligation	3,752,342	5,653,328
Plan (asset)/ liability	3,752,342	5,653,328
Changes in the present value of the defined benefit obligation		
Opening defined benefit obligation	2,990,870	4,281,137
Interest cost	239,780	343,222
Current service cost	401,420	643,586
Benefits paid	(852,717)	(240,384)
Actuarial (gains)/losses on obligation	972,989	625,767
Closing defined benefit obligation	3,752,342	5,653,328
Investment details of plan assets (Not externally funded)		
The principal assumptions used in determining gratuity obligation		
Discount rate		7.80%
Increase in compensation cost		6.80%

Notes:

The estimates of future salary increases, considered in actuarial valuation, take into account inflation, seniority, promotion and other factors including supply and demand of manpower. Employee turnover estimates vary based on service length.

Particulars	2016	2015	2014	2013
Amounts for the current year and previous years are as follows:				
Experience adjustment				
Defined Benefit obligation	5,653,328	4,281,137	3,418,497	3,227,375
Surplus / (Deficit)	(5,653,328)	(4,281,137)	(3,418,497)	(3,227,375)

3 Related party disclosures

(a) Names of related parties and relationship

Name	Relationship
Satya Simha Rao	Director & Key management personnel
Giridhar L	Director & Key management personnel
Srinivas Mantripragada	Director & Key management personnel

AXIOM CONSULTING PRIVATE LIMITED

Notes to Consolidated Financial Statements for the year ended 31st March 2016

(Amounts in Rupees)

The following is the summary of transactions with related parties during the year:

Managerial Remuneration	At start of the year	Payable	Paid
Satya Simha Rao	-	3,790,200	3,474,350
Giridhar L	-	3,790,200	3,474,350
Srinivas Mantripragada	-	8,898,236	7,448,828

- 4 The Ministry of Micro, Small and Medium Enterprises has issued an Office Memorandum dated 26 August 2008 which recommends that the Micro and Small Enterprises should mention in their correspondence with its customers the Entrepreneurs Memorandum Number as allotted after filing of the Memorandum.

Accordingly, the Company has initiated the process of identifying the suppliers who are registered under the MSMED Act. The disclosure in respect of amount payable to such entities has been made in the financial statements based on the information available with the Company. Further in the view of the Management, the impact of interest, if any, that may be payable in accordance with the provisions of the said Act is not material. The Company has not received any claim for interest from any supplier under the said Act.

5 Auditors' remuneration

	2016
Statutory audit fee	150,000
Tax audit fee	25,000
Cerification charges	130,500
Taxation services	185,000
Other Services	100,000
Total	590,500

6 Expenditure capitalised during the year

During the year, the company has capitalised the following expenses of revenue nature to the cost of intangibles under development. Consequently, expenses disclosed under the respective notes are net of the below amounts capitalised:

	2016
Salaries	3,641,508
Travelling & conveyance	261,648
Professional charges	39,365
Total	3,942,521

- 7 This being the first year of applicability for presentation of consolidated financial statements, previous year figures have not been presented being exempted in this regard by Accounting Standard 21 'Consolidated Financial Statements' issued by The Institute of Chartered Accountants of India.

As per our report of even date

For Guru & Jana

Chartered Accountants

Firm Registration No.006826S

Sd/-

M. Guru Prasad

Partner

Membership No: 200714

For and on behalf of the Board of Directors

Sd/-

Satya Simha Rao

Chairman & Managing Director

DIN: 00350297

Sd/-

Giridhar Lakshminarayana

Director

DIN: 01553968

Place: Bangalore

Date: 11th July, 2016

OUR OFFICES

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