

AXIOM CONSULTING PRIVATE LIMITED

SIXTEENTH ANNUAL REPORT 2016-17

Board of Directors	Satya Simha Rao Chairman & Managing Director
	Giridhar L Director
Auditors	Guru & Jana Chartered Accountants
Bankers	Kotak Mahindra Bank Limited
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 **Sixteenth (16th) Annual General Meeting** of the members of Axiom Consulting Private Limited will be held on **Tuesday, 31st October 2017 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 Standalone and Consolidated Balance Sheet for the year ended 31st March, 2017 and the Profit & Loss Account for the year ending as on that date together with Schedules and notes attached thereto, and the Reports of the Directors' and Auditor's thereon 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 2017 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,** board of 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 2017-18, at such remuneration as may be mutually agreed between the Board of Directors of the Company with office of the Auditors.

RESOLVED FURTHER THAT, Board of 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 : 9th October 2017
Director

Satya Simha Rao
Chairman & Managing

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.

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 **Tuesday, 31st October 2017 at 11 A.M.** at the Registered Office of the Company.

Signed this ____ day of ____ 2017

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, 2017.

1. RESULTS OF OPERATIONS AND FINANCIALS

a) Financial Summary

(Amounts in Rupees Lakhs)

Particulars	2016-17		2015-16	
	Standalone	Consolidated	Standalone	Consolidated
Revenue from operations	863.74	3215.88	1,279.00	4,069.23
Total Income	969.68	3299.95	1,337.15	4,070.00
Operating expenditure	863.85	3289.45	1,114.58	3,498.53
Operating Profit (EBITDA)	105.83	10.50	222.57	571.47
Finance cost	25.23	60.29	26.31	38.79
Depreciation, Amortization and Impairment	149.98	205.42	112.45	149.04
Profit (Loss) before tax	(69.38)	(255.20)	83.81	383.64
Tax (Current tax and Deferred tax)	(7.69)	(82.73)	33.48	117.70
Profit after tax	(61.70)	(172.47)	50.33	265.94
Earnings per share (Rs.) (Basic and Diluted)	(4.58)	(12.82)	3.74	19.76

b) Standalone financial performance

For the financial year 2016-17, on a standalone basis that is of Axiom Consulting Pvt. Ltd., the turnover decreased by about 32% to Rs. 863.74 lakhs in the year under review from Rs. 1,279.00 lakhs in the previous year.

The operating profit for 2016-17, on a standalone basis also decreased by about 52% to Rs. 105.83 lakhs in the year under review from Rs. 222.57 lakhs in the previous year.

c) Consolidated

For the financial year 2016-17, consolidated turnover decreased by about 21% to Rs. 3,215.88 lakhs in the year under review from Rs. 4,069.23 lakhs in the previous year.

The operating profit for 2016-17, also decreased by about 98% to Rs. 10.50 lakhs in the year under review from Rs. 571.47 lakhs in the previous year.

d) Operations Review

The company was significantly impacted by continued uncertainty in global markets due to various geo-political developments and macro-economic factors, increased competition and disruption in the consumer and retail segments and significant slowdown in R&D spend by our global clientele. Despite its best efforts the company experienced top line erosion due to withdrawal of certain long term contracts by our largest client due to various market pressures coupled with a slowdown in conversion of opportunities in our pipeline.

The management continues to strongly believe in the long term potential and health of the business but cautions that there could be further corrections in the ongoing FY and part of the next before business stabilizes. We continue to invest in new and emerging technologies in the digital space and are confident that these investments will unlock significant growth over the next 12-24 months.

Given near term uncertainty, the company is actively implementing cost cutting measures. However the company continues to invest in Sales and Business development in North America and Asia to drive an active diversification and customer expansion strategy. The company believes these efforts will produce significant returns over the next 6-9 months and lay the platform for more sustained growth over the next 12-24 months. In the first half of the current FY, the company has added 6 new clients with diversification into two new verticals and revenue generation from new digital revenue streams.

e) Change in nature of business, if any

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

f) Material Changes and Commitments Affecting the financial position between end of financial year and date of report

There are no material changes and commitments affecting the financial position between end of financial year and date of report.

g) Performance and Financial position each of its Subsidiaries, Associates and Joint Venture Companies

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 I"

h) Details of Significant and Material Orders passed by the Regulators or Courts or Tribunals impacting the going concern status and Company's operations in Future

There are no such orders passed by the regulators or courts or tribunals impacting the going concern status and company's operations in future.

i) Dividend

In view of Loss during the year there is no dividend for the financial year.

j) 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	2,77,69,702
Unsecured Loans	Nil
Non-Current Investments	34,38,293
Guarantees	Nil
Securities Extended	Nil

k) 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. 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
1	15 th April, 2016	Yes	Yes
2	11 th July, 2016	Yes	Yes
3	5 th October, 2016	Yes	Yes
4	21 st January, 2017	Yes	Yes

b) Directors' responsibility statement

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

- a. In the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;;
- b. 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 2017 and the profit of the Company for that period;
- c. 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;
- d. The annual accounts have been prepared on a going concern basis;
- e. 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.
- f. 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.

c) Board of Directors as on 31.03.2017

Sl. No.	Name of the Director	Designation
1	Satya Simha Rao	Managing Director
2	Girdhar Lakshminarayana	Whole-Time Director

d) Remuneration Policy

The Company is not covered under the provisions of Section 178(1) of the Companies Act, 2013. The remuneration policy adopted by the Company ensures payment according to qualification, experience and performance at different levels of the organization.

3. 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, 2017.

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, 2017.

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.

4. 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.

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 conversation 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. 16,14,28,467
Foreign Exchange Outgo	:	Rs. 51,43,161

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: 9th October 2017

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, 2017	31 st March, 2017
Reporting Currency and exchange rate as on 31 st March, 2017	USD 1 = Rs. 64.83	SGD 1 = Rs. 46.41
Change during the year	Nil	Nil
% of shareholding	100%	100%
Share capital	Rs. 59,360	Rs. 33,78,933
Reserves and Surplus	(Rs. 1,62,075)	Rs. 53,28,473
Total Assets	Rs. 40,81,144	NIL
Total liabilities (excluding share capital and reserves)	Rs. 97,245	Rs. 7,30,888
Investments	Nil	Nil
Turnover / Revenue	Nil	Rs. 1,13,01,478
EBITDA	(Rs. 8,118)	Rs. 36,08,339
Profit before tax	(Rs. 8,118)	Rs. 35,92,164
Provision for tax	Nil	Rs. 2,11,370
Profit after tax	(Rs. 8,118)	Rs. 33,80,794
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, 2017
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, 2017	Rs. 73,50,816
6.	Profit / Loss for the year (after tax)	
i	Considered in Consolidation	Rs. (1,44,58,268)
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 2017, 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	4,75,543
Management fee	Axiom Product Development LLC, USA	Associate company	3 years from 1 April 2014	2% on Revenue generated	1,00,22,504
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. As mutually agreed.	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. As mutually agreed.	1,48,22,175
Support services	Axiom Product Development LLC, USA	Associate company	3 years from 1 April 2016	Cost plus 6% on support services provided to group company.	53,13,181
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	21,65,778
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 2016-17.

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 : 9th October, 2017

ANNEXURE TO DIRECTORS' REPORT

FORM NO. MGT 9

EXTRACT OF ANNUAL RETURN

As on financial year ended on 31.03.2017

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 (87) (ii)
2	Axiom Americas Inc.,	201305900802	Subsidiary	100%		Section 2 (87) (ii)
3	Axiom Product Development LLC	201305900803	Associate company (subsidiary of Axiom America Inc.,	100%		Section 2 (87) (ii)

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		10,94,074	10,94,074	81.30%		10,94,074	10,94,074	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)	-	10,94,074	10,94,074	81.30%	-	10,94,074	10,94,074	81.30%	0.00%
(2) Foreign									
a) NRI Individuals			-	0.00%			-	0.00%	0.00%
b) Other Individuals		2,51,678	2,51,678	18.70%		2,51,678	2,51,678	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)	-	2,51,678	2,51,678	18.70%	-	2,51,678	2,51,678	18.70%	0.00%
TOTAL (A)	-	13,45,752	13,45,752	100.00%	-	13,45,752	13,45,752	100.00%	0.00%

B. Public Shareholding									
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)	-	13,45,752	13,45,752	100.00%	-	13,45,752	13,45,752	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	4,21,250	31.30%	0	4,21,250	31.30%	0	0.00%
2	Mr. Giridhar.L	3,55,000	26.38%	0	3,55,000	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			7,76,250	57.68%	7,76,250		57.68%
	Changes during the year			-	0.00%	-		0.00%
				-	0.00%	-		0.00%
				-	0.00%	-		0.00%
	At the end of the year			7,76,250	57.68%	7,76,250		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			2,51,678	18.70%	2,51,678		18.70%
	Changes during the year			-	0.00%	-		0.00%
	At the end of the year			2,51,678	18.70%	2,51,678		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 MVV							
	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			4,21,250	31.30%	4,21,250		31.30%
	Changes during the year			-	0.00%	-		0.00%
	At the end of the year			4,21,250	31.30%	4,21,250		31.30%
2	Mr. Giridhar L							
	At the beginning of the year			3,55,000	26.38%	3,55,000		26.38%
	Changes during the year			-	0.00%	-		0.00%
	At the end of the year			3,55,000	26.38%	3,55,000		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	2,80,51,192.00	-	NIL	2,80,51,192.00
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)	2,80,83,061.00	-	-	2,80,83,061.00
Change in Indebtedness during the financial year				
* Addition	7,50,000.00	NIL	NIL	7,50,000.00
* Reduction	77,81,490.00	-	NIL	77,81,490.00
Net Change	85,31,490.00	-	-	85,31,490.00
Indebtedness at the end of the financial year				
i) Principal Amount	2,77,69,702.00	-	NIL	2,77,69,702.00
ii) Interest due but not paid	NIL	NIL	NIL	-
iii) Interest accrued but not due	11,936.00	NIL	NIL	11,936.00
Total (i+ii+iii)	2,77,81,638.00	-	-	2,77,81,638.00

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/WT/ 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		38,03,400.00	38,03,400.00	23,28,364.00
	(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)		38,03,400.00	38,03,400.00	23,28,364.00
	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/-

Giridhar Lakshminarayana
Director
(DIN: 01553968)

Place: Bangalore

Date : 9th October, 2017

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, 2017, 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 financial statements but not for the purpose of expressing opinion on the adequacy of such internal financial controls 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 2017, and its loss 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 2017 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March 2017 from being appointed as a director in terms of Section 164(2) of the Act.

- f) The reporting on the adequacy of the internal financial controls over financial reporting of the Company is not applicable as the Company fulfils the criteria stated in the MCA exemption notification dated 13 June 2017. However, with respect to Revenue, the Company needs to strengthen the process of maintaining time sheets for capturing of time on the project execution and revenue documentation.
- 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 has no pending litigations on its financial position in its financial statements other than those disclosed.
 - 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.
 - iv. The company has provided the requisite disclosure in Note 25(11) forming part of financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8th November 2016 to 30th December 2016 and are in accordance with the books of accounts maintained by the company.

For **Guru & Jana,**

Chartered Accountants

Firm Registration No: 006826S

Sd/-

M. Guru Prasad

Partner

Membership No: 200714

Place: Bangalore

Date: 9 October 2017

“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, 2017)

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) As the company is into the business of service delivery, it has no inventory during the year; hence this clause 3(ii) 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) As informed to us, 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. 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, 2017 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, other than those mentioned below, as at 31st March, 2017

(in Rs.)

Name of the Statute	Nature of dues	Amount involved	Period to which the amount relates	Forum where the dispute is pending
Income Tax Act, 1961	Income Tax	6,09,79,940	Assessment year 2013-14	Commissioner of Income Tax (Appeals)
Income Tax Act, 1961	Income Tax	72,80,260	Assessment year 2014-15	Commissioner of Income Tax (Appeals)

Note: The above does not include leviable penalty.

- 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 governments 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 and hence not commented upon.
- 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 Section 197 with respect to Managerial Remuneration does not apply to Private Limited Companies. Hence, the provisions of Clause 3(xi) of the Order are 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 him. Accordingly, the provisions of clause 3 (xv) of the Order are not applicable to the Company and hence not commented upon.
- 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 and hence not commented upon.

For **Guru & Jana,**

Chartered Accountants

Firm Registration No: 006826S

SD/-

M. Guru Prasad

Partner

Membership No: 200714

Place: Bangalore

Date: 9 October 2017

(Amounts in Rupees)

		31-Mar-17	31-Mar-16
Particulars	Note	Total	Total
Equity and Liabilities			
Shareholders' Funds			
Share capital	2	1,34,57,520	1,34,57,520
Reserves and surplus	3	2,91,34,282	3,55,19,492
Non-current Liabilities			
Long term borrowings	4	60,83,255	1,15,86,417
Long term provisions	5	72,85,655	87,18,201
Current Liabilities			
Short term borrowings	6	89,96,201	45,29,082
Trade payables	7		
- Micro and small enterprises		1,54,876	1,04,500
- Others		98,75,471	69,00,894
Other current liabilities	8	2,32,26,840	2,91,31,571
Short-term provisions	9	5,71,549	6,87,465
Deferred tax liability (net)	10	15,23,234	22,91,866
			-
		10,03,08,883	11,29,27,007
Assets			
Non-current Assets			
Property, Plant and Equipment			
Tangible assets	11	39,76,225	56,91,276
Intangible assets	12	2,22,71,123	3,51,53,541
Intangible assets under development		97,18,963	9,81,895
Non-current investments	13	34,38,293	34,38,293
Long term loans and advances	14	41,03,186	41,97,072
Current Assets			
Trade receivables	15	2,06,85,493	2,01,09,365
Cash and cash equivalents	16	65,13,649	1,72,81,257
Short term loans and advances	17	1,68,10,374	1,64,48,012
Other current assets	18	1,27,91,577	96,26,296
		10,03,08,883	11,29,27,007
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 of
Axiom Consulting Private Limited

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

Sd/-
Giridhar Lakshminarayan
Director
DIN:01553968

Place: Bangalore
Date: 9th October, 2017

Particulars	Note	Total	2016
Income			
Revenue from operations	19	8,63,73,980	12,78,99,721
Other income	20	1,05,94,234	58,15,571
		9,69,68,214	13,37,15,292
Expenses			
Employee benefits expenses	21	5,76,26,102	7,93,15,723
Other expenses	22	2,87,59,326	3,21,42,495
		8,63,85,428	11,14,58,218
Earnings before interest, tax, depreciation and amortization (EBITDA)		1,05,82,785	2,22,57,073
Finance cost	23	25,23,281	26,30,953
Depreciation, amortisation and impairment	24	1,49,97,870	1,12,44,782
Profit before tax		(69,38,366)	83,81,338
Tax expenses			
Current tax		-	16,23,761
MAT credit		-	(15,97,064)
Deferred tax charge/ (income)		(7,68,633)	33,21,415
Profit after tax		(61,69,733)	50,33,226
Earnings Per Share (par value of Equity Shares Rs.10 each)			
Basic & Diluted			
On the basis of profit from continuing operations		(4.58)	3.74
On the basis of total profit for the year		(4.58)	3.74

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 of
Axiom Consulting Private Limited

Sd/-

Sd/-

Sd/-

M. Guru Prasad
Partner
Membership No: 200714

Satya Simha Rao
Chairman & Managing Director
DIN: 00350297

Giridhar Lakshminarayan
Director
DIN:01553968

Place: Bangalore
Date: 9th October, 2017

Particulars	2017	2016
Cash Flow from Operating Activities		
Net profit after tax	(69,38,366)	50,33,226
Adjustments for:	-	-
Net Income tax for current period	-	26,697
Depreciation	1,49,97,870	1,12,44,782
Interest income	-	-
Dividend income	-	-
Interest expense	21,87,426	20,10,540
Profit on sale of assets	-	-
Impairment loss	-	-
Operating profit before working capital changes	1,02,46,930	1,83,15,245
Movement in trade receivables	(5,76,128)	(33,68,430)
Movement in deferred tax	-	33,21,414
Movement in long term loans and advances	93,886	71,17,925
Movement in short term loans and advances	(3,62,362)	(68,86,599)
Movement in other current assets	(31,65,281)	(26,93,663)
Movement in long term provisions	(14,32,546)	17,08,732
Movement in trade payables	30,24,953	(41,61,811)
Movement in other current liabilities	(59,04,731)	1,83,69,366
Movement in short-term provisions	(1,15,916)	4,24,927
Cash from operating activities	18,08,805	3,21,47,106
Tax payable	-	(26,697)
Net Cash from operating activities	18,08,805	3,21,20,409
Cash Flow from Investing Activities		
Purchase of fixed assets	(4,00,401)	(1,11,46,600)
Sales of fixed assets	-	-
Impairment of Assets	-	-
Capitalisation of Intangibles assets under Development	(87,37,068)	(45,24,001)
Net cash used in investing activities	(91,37,469)	(1,56,70,601)
Cash Flow from Financing Activities		
Movement in long term borrowings	(55,03,162)	57,67,906
Movement in short term borrowings	44,67,119	(67,94,538)
Interest paid	(21,87,426)	(20,10,540)
Net cash used in financing activities	(32,23,469)	(30,37,172)
Net movement in cash and cash equivalents	(1,05,52,133)	1,34,12,636
Cash and cash equivalents at beginning of period	1,72,81,257	28,91,807
Effect of exchange difference due to translation of foreign currency items	(2,15,475)	9,76,814
Cash and cash equivalents at end of period	65,13,649	1,72,81,257
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	33,35,354	1,01,98,774
Balances with banks on EEFC accounts	31,76,441	70,70,382
Cash in hand	1,854	12,101
Cash and cash equivalents as restated	65,13,649	1,72,81,257

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 of

Axiom Consulting Private Limited

Sd/-

M. Guru Prasad

Partner

Membership No: 200714

Sd/-

Satya Simha Rao

Chairman & Managing Director

DIN: 00350297

Sd/-

Giridhar Lakshminarayan

Director

DIN:01553968

Place: Bangalore

Date: 9th October, 2017

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 CIN of the Company is U74140KA2001PTC029153

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 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.

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".

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.

Significant Accounting Policies

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.

Significant Accounting Policies

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.

Translation of integral and non-integral foreign operations

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.

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.

Particulars	2017	2016
Note 2 : Share Capital		
Authorised		
1,500,000 Equity Shares of Rs.10/- each (previous year 1,500,000)	1,50,00,000	1,50,00,000
	1,50,00,000	1,50,00,000
Issued, subscribed and fully paid-up		
1,345,752 Equity Shares (previous year - 1,345,752) of Rs.10/- each.	1,34,57,520	1,34,57,520
	1,34,57,520	1,34,57,520

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

Particulars	As at 31 March, 2017		As at 31 March, 2016	
	Number of shares	Amount	Number of shares	Amount
Opening balance	13,45,752	1,34,57,520	13,45,752	1,34,57,520
Issued during the year	-	-	-	-
Closing balance	13,45,752	1,34,57,520	13,45,752	1,34,57,520

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, 2017		As at 31 March, 2016	
	Number of shares	% holding	Number of shares	% holding
Satya Simha Rao	4,21,250	31.30%	4,21,250	31.30%
Giridhar L	3,55,000	26.38%	3,55,000	26.38%
Robert H Tate	2,51,678	18.70%	2,51,678	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

	<i>(Amounts in Rupees)</i>	
	2017	2016
Note 3 : Reserves and surplus		
Securities Premium Reserve		
Opening balance	49,34,250	49,34,250
	49,34,250	49,34,250
Surplus in Statement of Profit and Loss		
Profit brought forward	2,38,30,734	1,87,97,510
Current year surplus	(61,69,733)	50,33,226
Adjustment relating to Depreciation on Fixed Assets	-	-
	1,76,61,001	2,38,30,736
Foreign exchange Translation Reserve		
Opening balance	67,54,506	57,77,691
Additions during the year	(2,15,475)	9,76,815
Closing balance	65,39,031	67,54,506
	2,91,34,282	3,55,19,492
Note 4 : Long term borrowings		
Long term Loans		
Indian Rupee term loan - secured	84,63,637	30,71,534
Foreign currency term loans - secured	1,03,09,863	2,04,50,576
	1,87,73,500	2,35,22,110
Less: Current Maturities		
Indian Rupee term loan - secured	33,93,253	20,08,281
Foreign currency term loans - secured	92,96,992	99,27,412
	1,26,90,245	1,19,35,693
Amount disclosed under the head "Other current liabilities" (Note 8)	(1,26,90,245)	(1,19,35,693)
	60,83,255	1,15,86,417

Secured loans consist of the following from Bank:

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, 2017 USD 18,291.55) 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, 2017 USD 70,863.65) 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, 2017 USD 69,962.13) 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, 2017 Rs. 1,062,378.55) 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.

5) Indian rupee loan having original principal loan amount of Rs. 7,500,000/ (balance as at 31st March, 2017 Rs. 7,401,258.38) carrying floating rate of interest of 10.25% p.a. at year end. The loan is repayable in 36 monthly instalments of Rs. 245,000 per month including interest, starting from 5th February 2017.

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 .

(Amounts in Rupees)

	2017	2016
Note 5 : Long-term provisions		
Provision for Employee Benefits:		
(Refer Note 25.2 under notes to financial statements)		
Provision for Gratuity	46,85,948	52,83,833
Provision for Compensated Absences	25,99,707	34,34,368
	72,85,655	87,18,201
Note 6 : Short term borrowings		
Indian Rupee Overdraft loan - Secured	89,96,201	45,29,082
Foreign currency bill discounting loan - Secured	-	-
	89,96,201	45,29,082
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 12.25% p.a. as at year end.		
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 director and of a relative of a promoter director.		
Note 7 : Trade payables		
Trade payables	1,00,30,347	70,05,394
	1,00,30,347	70,05,394
Note 8 : Other current liabilities		
Statutory liabilities	12,68,606	15,13,253
Payable to employees	33,44,061	61,37,309
Advances from customers	-	-
Current maturities of long term borrowings (Note 4)	1,26,90,245	1,19,35,693
Interest accrued but not due on term loan	11,936	31,869
Other payables	38,87,814	36,59,904
Deferred revenue	20,24,178	58,53,543
	2,32,26,840	2,91,31,571
Note 9 : Short term provisions		
Provision for gratuity	3,54,481	3,69,492
Provision for Compensated absences	2,17,068	3,17,973
	5,71,549	6,87,465
Note 10 : Deferred tax liability (Net)		
Deferred tax liability		
Fixed assets	36,25,219	53,70,358
Gross deferred tax liability	36,25,219	53,70,358
Deferred tax asset		
Provision for gratuity	12,97,910	17,46,877
Provision for leave encashment	7,25,320	11,59,473
Other expenses	78,756	1,72,142
Gross deferred tax asset	21,01,986	30,78,492
	15,23,233	22,91,866

AXIOM CONSULTING PRIVATE LIMITED
Notes to Financial Statements for the year ended 31st March 2017
Note 11
Tangible Assets
Changes in the carrying value of tangible assets for the year ended 31st March 2017
(Amounts in Rupees)

Particulars	GROSS BLOCK				DEPRECIATION						NET BLOCK	
	As at 1-4-2016	Additions	Deletions	As at 31-03-2017	Upto 1-4-2016	For the year	Impair ment	Adjust ment	Deletion	Total upto 31-03-2017	As at 31-03-2017	As at 31-03-2016
Computers & Accessories	10,851,165	142,232	-	10,993,397	7,046,374	1,465,446	-	-	-	8,511,820	2,481,577	3,804,791
Plant & Machinery	1,125,248	-	-	1,125,248	1,086,608	38	-	-	-	1,086,646	38,602	38,640
Furniture & Fixtures	6,039,060	38,540	-	6,077,600	4,423,417	447,505	-	-	-	4,870,922	1,206,678	1,615,643
Office Equipments	1,673,660	167,612	-	1,841,272	1,441,458	150,446	-	-	-	1,591,904	249,368	232,202
Total	19,689,133	348,384	-	20,037,517	13,997,857	2,063,435	-	-	-	16,061,292	3,976,225	5,691,276

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

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	Impair ment	Adjust ment	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

Note 12
Intangible assets
Changes in the carrying value of intangible assets for the year ended 31st March 2017
(Amounts in Rupees)

Particulars	GROSS BLOCK				AMORTISATION						NET BLOCK	
	As at 1-4-2016	Additions	Deletions	As at 31-03-2017	Upto 1-4-2016	For the year	Impair ment	Adjust ment	Deletion	Total upto 31-03-2017	As at 31-03-2017	As at 31-03-2016
Acquired Software	29,481,322	52,017	-	29,533,339	14,718,870	4,495,946	-	-	-	19,214,816	10,318,523	14,762,452
Internally Developed	25,313,076	-	-	25,313,076	4,921,987	8,438,489	-	-	-	13,360,476	11,952,600	20,391,089
Total	54,794,398	52,017	-	54,846,415	19,640,857	12,934,435	-	-	-	32,575,292	22,271,123	35,153,541

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

Intangible assets under development

Changes in the carrying value of intangible assets for the year ended 31st March 2017

(Amounts in Rupees)

Particulars	GROSS BLOCK				AMORTISATION						NET BLOCK	
	As at 1-4-2016	Additions	Deletions	As at 31-03-2017	Upto 1-4-2016	For the year	Impairment	Adjustment	Deletion	Total upto 31-03-2017	As at 31-03-2017	As at 31-03-2016
Under Development	981,895	8,737,068	-	9,718,963	-	-	-	-	-	-	9,718,963	981,895

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

	<i>(Amounts in Rupees)</i>	
	2017	2016
Note 13 : Non-current investments		
Investment in Unquoted Equity Shares		
In Subsidiary companies:		
Axiom Product Development Pte. Ltd., Singapore	33,78,933	33,78,933
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		
	34,38,293	34,38,293
Note 14 : Long term loans and advances		
<i>(Unsecured, considered good unless stated otherwise)</i>		
Security deposits	21,500	21,500
Staff advance	-	-
Other receivables from subsidiaries	40,81,686	41,75,572
	41,03,186	41,97,072
Note 15: Trade receivables		
<i>(Unsecured, considered good unless stated otherwise)</i>		
Outstanding for more than 6 months *	79,75,367	24,48,655
Outstanding less than 6 months **	1,27,10,126	1,76,60,710
	2,06,85,493	2,01,09,365
* Rupees 61,00,191 (previous year Rs. 18,62,917) is receivable from related parties		
** Rupees 45,24,725 (previous year Rs. 28,32,101) is receivable from related parties		
Note 16 : Cash and cash equivalents		
Balances with Banks:		
on Current accounts	33,35,354	1,01,98,774
on EEFC accounts	31,76,441	70,70,382
Cash on hand	1,854	12,101
	65,13,649	1,72,81,257
Note 17 : Short term loans and advances		
<i>(Unsecured, considered good unless stated otherwise)</i>		
Deposits	10,64,839	10,66,330
Staff advances	1,24,646	1,86,162
Other advances	73,609	11,44,581
Prepaid expenses	5,35,558	15,18,867
Loans & advances to subsidiary company	47,13,776	47,67,259
Advance taxes (net of provision for taxation)	46,27,231	45,51,529
Balances with Government authorities	25,55,175	32,13,284
Tax paid under protest [refer Note 25(8)]	31,15,540	-
	1,68,10,374	1,64,48,012
Note 18 : Other current assets		
Unbilled revenue	8,52,052	37,93,106
Other receivables from subsidiary and associate companies	1,03,42,461	58,33,190
MAT Credit	15,97,064	-
	1,27,91,577	96,26,296

	2017	2016
Note 19 : Revenue from operations		
Income from research, design & product development services	8,63,73,980	12,78,99,721
	8,63,73,980	12,78,99,721
Note 20 : Other income		
Non-operating income from services to subsidiaries	1,05,94,234	57,16,318
Exchange fluctuation gain (net)	-	99,253
	1,05,94,234	58,15,571
Note 21 : Employee benefits expenses		
Salaries and allowances	5,26,98,617	7,12,89,221
Contribution to provident and other funds	23,38,340	29,15,847
Gratuity	7,77,527	16,12,572
Leave encashment	8,08,424	16,14,188
Staff welfare	10,03,194	18,83,895
	5,76,26,102	7,93,15,723
Note 22 : Other expenses		
Product design expenses	53,36,243	48,08,630
Professional charges	52,27,993	51,92,280
Travelling & conveyance	46,37,147	55,27,320
Rent	37,24,734	42,94,483
Equipment Hire charges	21,20,136	16,65,918
Repairs and maintenance	17,86,724	32,12,478
Internet & communication charges	14,54,275	15,73,151
Exchange fluctuation loss (net)	12,23,153	-
Auditors remuneration [Refer Note 25(6)]	2,00,000	4,33,000
Power & water	10,24,826	9,90,583
Insurance	5,74,092	6,45,594
Rates, taxes and duties	1,86,221	3,47,290
Business development Expenses	17,757	17,55,047
Miscellaneous expenses	12,46,025	16,96,721
	2,87,59,326	3,21,42,495
Note 23 : Finance cost		
Interest on loans	21,87,426	20,10,540
Bank charges	3,35,856	6,20,413
	25,23,282	26,30,953
Note 24 : Depreciation & Amortization		
Depreciation	20,63,435	16,28,845
Amortization	1,29,34,435	96,15,937
	1,49,97,870	1,12,44,782

AXIOM CONSULTING PRIVATE LIMITED
Notes to Financial Statements for the year ended 31st March 2017
Note 25 : Notes forming part of Balance Sheet and Statement of Profit and Loss
(Amounts in Rupees)

1 Earnings Per share (EPS)	2017	2016
Net Profit for Calculation of Basic and Diluted EPS	(61,69,733)	50,33,226
Weighted Average no of shares outstanding during the year	13,45,752	13,45,752
Weighted Average no of shares used to compute diluted EPS	13,45,752	13,45,752
Earnings Per Share		
- Basic	(4.58)	3.74
- Diluted	(4.58)	3.74

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. 2,338,340 (previous year Rs. 2,658,362).

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	2017	2016	2017	2016
	Compensated absences		Gratuity	
Current service cost	2,07,533	4,01,420	4,59,703	6,43,586
Interest cost on benefit obligation	2,92,474	2,39,780	4,40,646	3,43,222
Net actuarial loss/ (gain) recognised	3,08,416	9,72,989	(1,22,825)	6,25,767
Net benefit expense	8,08,423	16,14,189	7,77,524	16,12,575

Balance Sheet	2017	2016	2017	2016
	Compensated absences		Gratuity	
Defined benefit obligation	28,16,775	37,52,342	50,40,429	56,53,328
Plan (asset)/ liability	28,16,775	37,52,342	50,40,429	56,53,328

Changes in the present value of the defined benefit obligation

Opening defined benefit obligation	37,52,342	29,90,870	56,53,328	42,81,137
Interest cost	2,92,474	2,39,780	4,40,646	3,43,222
Current service cost	2,07,533	4,01,420	4,59,703	6,43,586
Benefits paid	(17,43,990)	(8,52,717)	(13,90,423)	(2,40,384)
Actuarial (gains)/losses on obligation	3,08,416	9,72,989	(1,22,825)	6,25,767
Closing defined benefit obligation	28,16,775	37,52,342	50,40,429	56,53,328

Investment details of plan assets (Not externally funded)	2017	2016
The principal assumptions used in determining gratuity obligation		
Discount rate	7.40%	7.80%
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	2017	2016	2015	2014	2013
Amounts for the current year and previous years are as follows:					
Experience adjustment					
Defined Benefit obligation	50,40,429	56,53,328	42,81,137	34,18,497	32,27,375
Surplus / (Deficit)	(50,40,429)	(56,53,328)	(42,81,137)	(34,18,497)	(32,27,375)

AXIOM CONSULTING PRIVATE LIMITED
Notes to Financial Statements for the year ended 31st March 2017
Note 25 : Notes forming part of Balance Sheet and Statement of Profit and Loss
(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 (Resigned w.e.f. 21 June 2016)	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

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

I. Managerial Remuneration	At start of the year	Payable	Paid	Balance payable	
Satya Simha Rao	3,15,850	38,03,400	38,02,300	3,16,950	
Giridhar L	3,15,850	38,03,400	38,02,300	3,16,950	
Srinivas Mantripragada	14,49,408	23,28,364	37,77,772	-	
II. Investments in Equity Shares			2017	2016	
Axiom Americas Inc., USA			59,360	59,360	
Axiom Product Development Pte Ltd, Singapore			33,78,933	33,78,933	
III. Other transactions during the year			2017	2016	
	Holding company	Subsidiary companies	Associate company	Total	
Rendering of services - 2017	2,17,39,885	-	14,57,986	2,31,97,871	
-2016	1,09,10,312		32,64,463	1,41,74,775	
Receiving of services - 2017	14,57,986	2,20,130	2,15,19,754		
-2016	32,64,463	12,80,366	96,29,946	1,41,74,775	
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	53,83,139	2,20,130	(6,15,880)	(2,73,613)	47,13,776
Axiom Product Development Pte Ltd, Singapore - Payable	47,67,256	-	-	(2,63,352)	45,03,904
Axiom Product Development LLC, USA - Receivable	99,12,328	2,15,77,472	(97,26,377)	(7,96,046)	2,09,67,377
Axiom Product Development LLC, USA - Payable	-	14,32,554		12,716	14,45,270
Axiom Americas Inc., USA	41,75,570	-	-	(93,884)	40,81,686
				-	-
Earnings and Expenditure in Foreign Currency				2017	2016
Earnings in foreign exchange				16,14,28,467	12,32,01,458
Expenditure in foreign currency				51,43,161	76,79,686

- 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 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.

AXIOM CONSULTING PRIVATE LIMITED
Notes to Financial Statements for the year ended 31st March 2017
Note 25 : Notes forming part of Balance Sheet and Statement of Profit and Loss
(Amounts in Rupees)

6 Auditors' remuneration	2017	2016
Statutory & Tax audit fee	2,45,830	1,75,000
Certification charges	39,000	1,30,500
Taxation services	3,00,000	1,85,000
Other Services	2,61,167	1,00,000
Total	8,45,997	5,90,500

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 capitalised:

	2017	2016
Salaries	76,28,782	38,43,986
Travelling & conveyance	-	2,61,648
Professional charges	-	39,365
Total	76,28,782	41,44,999

8 Tax Paid under Protest

The Company has paid Rs.31,15,540 to Income Tax department under protest relating to the Assessment Year 2013-14 & 2014-15 for the matter which is in dispute for which the Company has gone for Appeal and the proceedings is still pending as at year-end.

The Company has amounts payable and receivable from its wholly owned subsidiary in Singapore. The amounts are outstanding for periods exceeding those prescribed under FEMA and circulars issued thereunder for payment or collection. The Company has approached the Authorised Dealer regarding receivables and awaiting for approval.

Reconciliations & confirmations

- 10** Trade receivables & payables, other receivables & payables other than related parties are subject to confirmations and reconciliations.

11 Details of specified bank notes for the period 8th November to 30th December is as follows

Particulars	SBN'S	Other denomination Notes & Coins	TOTAL
Closing Cash in Hand as on 08.11.2016	-	27,583	27,583
(+) Permitted Receipts	-	50,886	50,886
(-) Permitted Payments	-	70,367	70,367
(-) Amount deposited in Banks	-	-	-
Closing Cash in Hand as on 30.12.2016	-	8,102	8,102

- 12** 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

Place: Bangalore
Date: 9th October, 2017

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 Lakshminarayan
Director
DIN:01553968

AXIOM CONSULTING PRIVATE LIMITED

CONSOLIDATED FINANCIAL STATEMENTS 2016-17

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, 2017, 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 consolidated financial statement, for Axiom Americas Inc (subsidiary company) and Axiom Product Development LLC (step-down subsidiary) the audit was conducted by CPAs of United States of America as at year ended 31st March, 2017.

We believe that the audit evidence obtained by us related to standalone and the audit evidence obtained by the other auditors in terms of their reports referred to in sub-paragraph (a) and (b) 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, 2017, and their consolidated 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. 94,38,294 (SGD 2,03,333) as at 31st March, 2017, total revenues of Rs. 1,09,51,981 (SGD 2,26,023) and net cash flows amounting to Rs (13,32,477/-) 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) We have not audited the financial statements of Axiom Americas Inc (subsidiary company) and Axiom Product Development LLC (step-down subsidiary) whose financial statements reflect total assets of Rs. 7,85,75,177 (USD 11,70,309) as at 31st March, 2017, total revenues of Rs. 23,48,56,399 (USD 35,00,617) and net cash flows amounting to Rs (2,07,99,639/-) for the year ended on that date, as considered in the consolidated financial statements. These financial statements / financial information have been audited by CPAs of United States of America 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.

(c) 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.

(d) We have not received the bank confirmations for the subsidiary Companies in United States of America, 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, 2017 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, 2017 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 reporting on the adequacy of the internal financial controls over financial reporting of the Holding Company is not applicable as the Company fulfils the criteria stated in the MCA exemption notification dated 13 June 2017. However, with respect to Revenue, the Company needs to strengthen the process of maintaining time sheets for capturing of time on the project execution and revenue documentation.
- (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.

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

Sd/-

Guru Prasad M.
Partner
Membership No. 200714

Place : Bangalore
Date : 09 October 2017

AXIOM CONSULTING PRIVATE LIMITED

CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH 2017

Particulars	Note	As at 31-03-2017	As at 31-03-2016
Equity and Liabilities			
<i>Shareholders' Funds</i>			
Share capital	2	1,34,57,520	1,34,57,520
Reserves and surplus	3	4,17,54,209	5,95,50,064
<i>Non-current Liabilities</i>			
Long term borrowings	4	71,19,338	1,15,86,417
Long term provisions	5	72,85,655	87,18,201
<i>Current Liabilities</i>			
Short term borrowings	6	1,57,78,220	45,29,082
Trade payables	7	1,46,51,735	1,59,01,148
Other current liabilities	8	4,63,66,246	4,42,17,232
Short-term provisions	9	7,74,015	45,07,277
Deferred tax liability	10	-	22,91,866
		14,71,86,938	16,47,58,807
Assets			
<i>Non-current Assets</i>			
Fixed assets			
Tangible assets	11	1,41,58,698	1,00,87,245
Intangible assets	12	2,31,94,263	3,60,76,682
Intangible assets under development	12	1,16,97,837	9,81,895
Non-current investments	13	-	-
Long term loans and advances	13	21,500	21,500
<i>Current Assets</i>			
Deferred tax Asset	10	59,33,854	-
Trade receivables	14	6,32,97,381	5,37,92,901
Cash and cash equivalents	15	84,21,156	4,21,51,193
Short term loans and advances	16	1,50,42,960	1,37,94,225
Other current assets	17	54,19,289	78,53,165
		14,71,86,938	16,47,58,806
<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

Sd/-

M. Guru Prasad
Partner
Membership No: 200714

Place: Bangalore
Date: 9 October 2017

For and on behalf of the Board of Directors

Sd/-

Satya Simha Rao
Chairman & Managing Director
DIN: 00350297

Sd/-

Giridhar Lakshminarayan
Director
DIN:01553968

AXIOM CONSULTING PRIVATE LIMITED

CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH 2017

Particulars	Note	April to Mar-17	April to Mar-16
Income			
Revenue from operations	18	32,15,88,279	40,69,22,755
Other income	19	84,06,308	77,468
		32,99,94,587	40,70,00,223
Expenses			
Employee benefits expenses	20	22,66,84,492	25,17,31,131
Other expenses	21	10,22,60,090	9,81,21,820
		32,89,44,582	34,98,52,951
Earnings before interest, tax, depreciation and amortization (EBITDA)		10,50,004	5,71,47,272
Finance cost	22	60,28,530	38,79,387
Depreciation, amortisation and impairment	23	2,05,41,964	1,49,03,523
Profit before tax		(2,55,20,490)	3,83,64,362
Tax expenses			
Current tax		2,11,369	1,00,45,543
MAT credit		-	(15,97,064)
Deferred tax charge/ (credit)		(84,84,654)	33,21,415
Profit after tax		(1,72,47,205)	2,65,94,468
Earnings Per Share (par value Equity Shares of Rs.10 each)			
Basic & Diluted			
Computed on the basis of profit from continuing operations		(12.82)	19.76
Computed on the basis of total profit for the year		(12.82)	19.76

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

Place: Bangalore
Date: 9 October 2017

For and on behalf of the Board of Directors

Sd/-

Satya Simha Rao
Chairman & Managing Director
DIN: 00350297

Sd/-

Giridhar Lakshminarayan
Director
DIN:01553968

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2017

Particulars	31-03-2017	31-03-2016
Cash Flow from Operating Activities		
Net profit before tax	(2,55,20,490)	2,65,94,468
Adjustments for:		
Net Income tax for current period	-	84,48,480
Depreciation	2,05,41,964	1,49,03,523
Interest expense	28,54,427	26,82,406
Operating profit before working capital changes	(21,24,099)	5,26,28,877
Movement in trade receivables	(95,04,480)	(1,24,83,983)
Movement in deferred tax	-	33,19,448
Movement in long term loans and advances	-	71,17,925
Movement in short term loans and advances	(12,48,735)	(9,09,732)
Movement in other current assets	24,33,876	(80,42,834)
Movement in Other long term liabilities	19,37,644	-
Movement in long term provisions	(14,32,546)	17,08,732
Movement in trade payables	(12,49,413)	25,13,821
Movement in other current liabilities	-	1,49,39,887
Movement in short-term provisions	(37,33,262)	7,26,690
Cash from operating activities	(1,49,21,015)	6,15,18,831
Tax payable	-	(84,48,480)
Net Cash from operating activities	(1,49,21,015)	5,30,70,351
Cash Flow from Investing Activities		
Purchase of fixed assets	(1,17,30,998)	(1,56,43,205)
Capitalisation of intangible assets under development	(1,07,15,942)	(45,24,001)
Net cash used in investing activities	(2,24,46,940)	(2,01,67,206)
Cash Flow from Financing Activities		
Movement in long term borrowings	(44,67,079)	57,67,906
Movement in short term borrowings	1,12,49,138	(67,94,538)
Interest paid	(28,54,427)	(26,82,406)
Net cash used in financing activities	39,27,632	(37,09,038)
Net movement in cash and cash equivalents	(3,34,40,323)	2,91,94,107
Cash and cash equivalents at beginning of period	4,21,51,193	1,20,09,799
Effect of exchange difference due to translation of foreign currency items	(2,89,715)	9,47,288
Cash and cash equivalents at end of period	84,21,155	4,21,51,193
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	50,80,555	3,49,02,340
Balances with banks on EEFC accounts	31,76,441	70,70,382
Cash in hand	1,64,159	1,78,471
Cash and cash equivalents as restated	84,21,155	4,21,51,193

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

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 Lakshminarayan
Director
DIN:01553968

Place: Bangalore
Date: 9 October 2017

AXIOM CONSULTING PRIVATE LIMITED

Notes to Consolidated Financial Statements for the year ended 31st March 2017

	(Amounts in Rupees)	(Amounts in Rupees)
Note 2 : Share Capital		
<i>Authorised</i>		
1,500,000 Equity Shares of Rs.10/- each (previous year 1,500,000)	1,50,00,000	1,50,00,000
	1,50,00,000	1,50,00,000
<i>Issued, subscribed and fully paid-up</i>		
1,345,752 Equity Shares of Rs.10/- each (previous year 1,345,752)	1,34,57,520	1,34,57,520
	1,34,57,520	1,34,57,520

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

Particulars	As at 31 March, 2017		As at 31 March, 2016	
	Number of shares	Amount	Number of shares	Amount
As at the beginning of the year	13,45,752	1,34,57,520	13,45,752	1,34,57,520
Issued during the year	-	-	-	-
Outstanding at the end of the year	13,45,752	1,34,57,520	13,45,752	1,34,57,520

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, 2017		As at 31 March, 2016	
	Number of shares	% holding	Number of shares	% holding
Satya Simha Rao	4,21,250	31.30%	4,21,250	31.30%
Giridhar L	3,55,000	26.38%	3,55,000	26.38%
Robert H Tate	2,51,678	18.70%	2,51,678	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 2017

	31-03-2017	31-03-2016
Note 3 : Reserves and surplus		
Securities Premium Reserve		
Opening balance	49,34,250	49,34,250
	49,34,250	49,34,250
Surplus in Statement of Profit and Loss		
Profit brought forward	4,75,28,137	2,09,33,670
Current year surplus	(1,72,47,209)	2,65,94,468
	3,02,80,928	4,75,28,138
Foreign exchange Translation Reserve		
Opening balance	67,54,506	57,77,691
Additions during the year	(2,15,475)	13,09,985
Closing balance	65,39,031	70,87,676
	4,17,54,209	5,95,50,064
Note 4 : Long term borrowings	31-03-2017	31-03-2016
Long term Loans		
Indian Rupee Term Loan - Secured	84,63,637	30,71,534
Foreign Currency Term Loans - Secured	1,03,09,863	2,04,50,576
Long term Lease finance	10,36,083	-
	1,98,09,583	2,35,22,110
Less: Current Maturities		
Indian Rupee Term Loan - Secured	33,93,253	20,08,281
Foreign Currency Term Loan - Secured	92,96,992	99,27,412
	1,26,90,245	1,19,35,693
Amount disclosed under the head "other current liabilities" (Note 8)	(1,26,90,245)	(1,19,35,693)
	71,19,338	1,15,86,417

Secured loans consist of the following from Bank:

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, 2017 USD 18,291.55) 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, 2017 USD 70,863.65) 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, 2017 USD 69,962.13) 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, 2017 Rs. 1,062,378.55) 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.

5) Indian rupee loan having original principal loan amount of Rs. 7,500,000/ (balance as at 31st March, 2017 Rs. 7,401,258.38) carrying floating rate of interest of 10.25% p.a. at year end. The loan is repayable in 36 monthly instalments of Rs. 245,000 per month including interest, starting from 5th February 2017.

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 .

AXIOM CONSULTING PRIVATE LIMITED

Notes to Consolidated Financial Statements for the year ended 31st March 2017

	31-03-2017	31-03-2016
Note 5 : Long-term provisions	31-03-2017	31-03-2016
Provision for Employee Benefits:		
Provision for Gratuity	46,85,948	52,83,833
Provision for Leave Encashment	25,99,707	34,34,368
	72,85,655	87,18,201
Note 6 : Short term borrowings	31-03-2017	31-03-2016
Indian Rupee Overdraft loan - Secured	1,51,29,834	45,29,082
Indian Rupee Overdraft loan - Unsecured	6,48,386	
	1,57,78,220	45,29,082

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 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 .

	31-03-2017	31-03-2016
Note 7 : Trade payables		
Trade payables	1,46,51,735	1,59,01,148
	1,46,51,735	1,59,01,148

	31-03-2017	31-03-2016
Note 8 : Other current liabilities		
Statutory liabilities	33,55,323	44,79,940
Payable to employees	63,99,898	80,44,291
Current maturities of long term borrowings (Note 4)	1,26,90,245	1,19,35,693
Interest accrued but not due on Term Loan	11,936	31,869
Other payables	1,74,45,166	1,34,73,916
Deferred rent liability	24,94,341	-
Deferred revenue	39,69,336	62,51,523
	4,63,66,246	4,42,17,232

	31-03-2017	31-03-2016
Note 9 : Short term provisions		
Provision for income tax (net of advance taxes)	2,02,466	38,19,812
Provision for gratuity	3,54,481	3,69,492
Provision for leave encashment	2,17,068	3,17,973
	7,74,015	45,07,277

	31-03-2017	31-03-2016
Note 10 : Deferred tax liability/Asset (Net)		
Deferred tax liability		
Fixed assets	28,73,943	53,70,358
Deferred rent liability	8,79,276	-
Accelerated depreciation	2,62,402	-
Charitable contribution carry forward	24,963	-
	40,40,584	53,70,358

Deferred tax asset		
Amortisation	2,08,715	-
Provision for Gratuity	(12,97,910)	17,46,877
Provision for Leave encashment	(7,25,320)	11,59,473
Other expenses	(78,756)	1,72,142
	(18,93,271)	30,78,492
	59,33,854	22,91,866

AXIOM CONSULTING PRIVATE LIMITED

Notes to Financial Statements for the year ended 31st March 2017

Note 11
Tangible Assets

Changes in the carrying value of tangible assets for the year ended 31st March 2017

(Amounts in Rupees)

Particulars	GROSS BLOCK			DEPRECIATION					NET BLOCK	
	As at 1-4-2016	Additions	Deletions	As at 31-03-2017	Upto 1-4-2016	For the year	Deletion	Total upto 31-03-2017	As at 31-03-2017	As at 31-03-2016
Computers & Accessories	1,36,47,448	12,59,107	-	1,49,06,555	95,30,639	27,16,493	-	1,22,47,133	26,59,422	41,16,809
Plant & Machinery	11,25,248	-	-	11,25,248	10,86,608	38	-	10,86,646	38,602	38,640
Furniture & Fixtures	87,43,556	38,540	-	87,82,096	59,41,605	12,60,518	-	72,02,123	15,79,973	28,01,951
Office Equipments	66,81,861	4,96,301	-	71,78,161	35,52,016	22,03,274	-	57,55,290	14,22,872	31,29,845
Lease hold improvements	-	98,85,034	-	98,85,034	-	14,27,206	-	14,27,206	84,57,828	-
Total	3,01,98,113	1,16,78,981	-	4,18,77,094	2,01,10,868	76,07,529	-	2,77,18,396	1,41,58,698	1,00,87,245

Note 12
Intangible assets

Changes in the carrying value of intangible assets for the year ended 31st March 2017

(Amounts in Rupees)

Particulars	GROSS BLOCK			AMORTISATION					NET BLOCK	
	As at 1-4-2016	Additions	Deletions	As at 31-03-2017	Upto 1-4-2016	For the year	Deletion	Total upto 31-03-2017	As at 31-03-2017	As at 31-03-2016
Acquired Software	3,25,91,991	52,017	-	3,26,44,008	1,69,06,398	44,95,946	-	2,14,02,344	1,12,41,664	1,56,85,593
Internally Developed	2,53,13,076	-	-	2,53,13,076	49,21,987	84,38,489	-	1,33,60,476	1,19,52,600	2,03,91,090
Total	5,79,05,067	52,017	-	5,79,57,084	2,18,28,385	1,29,34,435	-	3,47,62,820	2,31,94,263	3,60,76,682

Intangible assets under development

Changes in the carrying value of intangible assets for the year ended 31st March 2017

(Amounts in Rupees)

Particulars	GROSS BLOCK			AMORTISATION					NET BLOCK	
	As at 1-4-2016	Additions	Deletions	As at 31-03-2017	Upto 1-4-2016	For the year	Deletion	Total upto 31-03-2017	As at 31-03-2017	As at 31-03-2016
Under Development	9,81,895	1,07,15,942	-	1,16,97,837	-	-	-	-	1,16,97,837	9,81,895

AXIOM CONSULTING PRIVATE LIMITED

Notes to Consolidated Financial Statements for the year ended 31st March 2017

	31-03-2017	31-03-2016
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Note 13 : Long term loans and advances

(Unsecured, considered good unless stated otherwise)

Security Deposits	21,500	21,500
Staff Advance	-	-
Other receivables from subsidiaries	-	-
	21,500	21,500

Note 14 : Trade receivables

(Unsecured, considered good unless stated otherwise)

Outstanding for more than 6 months	79,75,367	5,85,738
Outstanding less than 6 months	5,53,22,014	5,32,07,163
	6,32,97,381	5,37,92,901

* Rupees 61,00,191 (previous year Rs. 18,62,917) is receivable from related parties

** Rupees 45,24,725 (previous year Rs. 28,32,101) is receivable from related parties

Note 15 : Cash and cash equivalents

Cash and cash equivalents:

Balances with Banks:

on Current accounts	50,80,555	3,49,02,340
on EEFC accounts	31,76,441	70,70,382
Cash on hand	1,64,159	1,78,471

84,21,155	4,21,51,193
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Note 16 : Short term loans and advances

(Unsecured, considered good unless stated otherwise)

Deposits	14,63,301	14,76,615
Staff Advances	1,24,646	3,15,320
Other Advances	73,609	12,20,418
Prepaid expenses	8,85,923	19,27,246
Inter Company Receivables	55,696	-
Other receivables from subsidiary and associate companies	(51,520)	-
Advance taxes (net of provision for taxation)	67,23,333	45,51,529
Balances with Service Tax department & Other Authorities	26,52,433	43,03,097
Tax paid under protest [refer Note 25(8)]	31,15,540	-

1,50,42,961	1,37,94,225
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Note 17 : Other Current Assets

Unbilled Revenue	36,94,511	78,53,165
Maintenance agreement	2,431	-
Other Current assets	1,25,282	-
MAT Credit	15,97,064	-

54,19,289	78,53,165
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AXIOM CONSULTING PRIVATE LIMITED

Notes to Consolidated Financial Statements for the year ended 31st March 2017



	April to Mar-17	April to Mar-16
Note 18 : Revenue from operations		
Income from research, design & product development services	32,15,88,279	40,69,22,755
	32,15,88,279	40,69,22,755
Note 19 : Other income		
Exchange fluctuation gain (net)	9,81,661	77,468
Miscellaneous Income	12,28,577	-
Non-operating income from services to subsidiaries	58,36,320	-
Interest from banks	3,59,751	-
	84,06,309	77,468
Note 20 : Employee benefits expenses		
Salaries and allowances	19,99,53,010	22,43,54,604
Contribution to provident and other funds	1,60,28,360	1,40,48,391
Gratuity	7,77,527	16,12,572
Leave encashment	8,08,424	16,14,188
Staff welfare	91,17,172	1,01,01,376
	22,66,84,493	25,17,31,131
Note 21 : Other expenses		
Product design expenses	2,54,19,655	2,60,06,942
Professional charges	2,22,97,567	1,59,60,727
Travelling & conveyance	1,44,50,345	27,27,362
Rent	1,47,99,370	61,97,556
Hire charges	37,58,746	19,09,012
Repairs and maintenance	44,25,129	10,23,775
Internet & communication charges	56,76,406	11,62,169
Exchange fluctuation Loss (net)	14,83,830	91,54,362
Auditors remuneration	8,45,997	67,53,873
Power & water	28,07,328	9,34,717
Insurance	12,72,885	2,13,79,457
Rates, taxes and duties	8,80,939	9,91,948
Business development Expenses	10,07,408	39,19,920
Miscellaneous expenses	31,31,806	-
Inter Co expenses	2,679	-
	10,22,60,090	9,81,21,820
Note 22 : Finance cost		
Interest	25,88,481	21,90,236
Lease finance charges	2,65,947	4,92,169
Bank charges	31,74,103	11,96,982
	60,28,531	38,79,387
Note 23 : Depreciation & Amortization		
Depreciation	76,07,529	52,87,586
Amortization	1,29,34,435	96,15,937
	2,05,41,964	1,49,03,523

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.

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.

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.

Compensated Absences

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.

Significant Accounting Policies

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 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 2017



(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	(1,72,47,205)	2,65,94,468
Weighted Average no of shares outstanding during the year	13,45,752	1345752
Weighted Average no of shares used to compute diluted EPS	13,45,752	1345752
Earnings Per Share		
- Basic	(12.82)	19.76
- Diluted	(12.82)	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.160,28,360 (Previous year 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	2017	2016	2017	2016
	Compensated absences		Gratuity	
Current service cost	2,07,533	4,01,420	4,59,703	6,43,586
Interest cost on benefit obligation	2,92,474	2,39,780	4,40,646	3,43,222
Net actuarial loss/ (gain) recognised	3,08,416	9,72,989	(1,22,825)	6,25,767
Net benefit expense	8,08,423	16,14,189	7,77,524	16,12,575
Balance Sheet	2017	2016	2017	2016
	Compensated absences		Gratuity	
Defined benefit obligation	28,16,775	37,52,342	50,40,429	56,53,328
Plan (asset)/ liability	28,16,775	37,52,342	50,40,429	56,53,328
Changes in the present value of the defined benefit obligation				
Opening defined benefit obligation	37,52,342	29,90,870	56,53,328	42,81,137
Interest cost	2,92,474	2,39,780	4,40,646	3,43,222
Current service cost	2,07,533	4,01,420	4,59,703	6,43,586
Benefits paid	(17,43,990)	(8,52,717)	(13,90,423)	(2,40,384)
Actuarial (gains)/losses on obligation	3,08,416	9,72,989	(1,22,825)	6,25,767
Closing defined benefit obligation	28,16,775	37,52,342	50,40,429	56,53,328

Investment details of plan assets (Not externally funded)

	2017	2016
The principal assumptions used in determining gratuity obligation		
Discount rate	7.40%	7.80%
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	2017	2016	2015	2014	2013
Amounts for the current year and previous years are as follows:					
Experience adjustment					
Defined Benefit obligation	50,40,429	56,53,328	42,81,137	34,18,497	32,27,375
Surplus / (Deficit)	(50,40,429)	(56,53,328)	(42,81,137)	(34,18,497)	(32,27,375)

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 2017



(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	Balance payable
Satya Simha Rao	3,15,850	38,03,400	38,02,300	3,16,950
Giridhar L	3,15,850	38,03,400	38,02,300	3,16,950
Srinivas Mantripragada	14,49,408	23,28,364	37,77,772	-

- 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

	2017	2016
Statutory & Tax audit fee	2,45,830	1,75,000
Certification charges	39,000	1,30,500
Taxation services	3,00,000	1,85,000
Other Services	2,61,167	1,00,000
Total	8,45,997	5,90,500

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:

	2017	2016
Salaries	76,28,782	38,43,986
Travelling & conveyance	-	2,61,648
Professional charges	-	39,365
Total	76,28,782	41,44,999

- 7 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

Place: Bangalore
Date: 9 October 2017

For and on behalf of the Board of Directors

Sd/-

Satya Simha Rao
Chairman & Managing Director
DIN: 00350297

Sd/-

Giridhar Lakshminarayan
Director
DIN:01553968

OUR OFFICES

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