

AXIOM CONSULTING LIMITED
(Formerly known as Axiom Consulting Private Limited)

SEVENTEEN ANNUAL REPORT
2017-18

Board of Directors	SATYASIMHA RAO Managing Director LAKSHMINARAYAN GIRIDHAR Wholetime Director
Auditors	Guru & Jana Chartered Accountants
Bankers	Kotak Mahindra Bank Limited
Registered Office	307, Shree Chambers, 3rd Floor, 100 Feet Ring Road, Banashankari 3rd stage, Bangalore – 560 085 Tel: +91-80-42869900 Fax:+91-80-26799570



NOTICE

NOTICE is hereby given that the **Seventeenth (17th) Annual General Meeting** of the members of Axiom Consulting Limited (formerly known as Axiom Consulting Private Limited) will be held on **Friday, 21st September 2018 at 02.00 P.M. at its Registered Office**, No. 307, Shree Chambers, 3rd Floor, 100 Feet Ring Road, Banashankari III Stage, Bangalore –560 085, to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Financial Statement (including Audited Consolidated Financial Statement of the Company) for the financial year ended on 31st March 2018 together with Auditors Report and Director's Report thereon.
2. To consider, if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

“RESOLVED THAT pursuant to provisions of Section 142(1) of the Companies Act, 2013 and all other applicable provisions, if any, the Board of Directors of the Company be and is hereby authorized to fix remuneration, including out of pocket expenses, payable to M/s. Guru & Jana, Chartered Accountants, Bangalore (FRN: 006826S), Statutory Auditors of the Company for the financial year 2018-19.”

**By order of the Board
For Axiom Consulting Limited**

Place: Bangalore
Date: September 18, 2018

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

Note:

1. A member entitled to attend and vote at the Meeting 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.

Regd. Office: No. 307, Shree Chambers, 3rd Floor, 100 Feet Ring Road, Banashankari 3rd Stage, Bangalore - 560 085, India
CIN: U74140KA2001PLC029153 Phone: +91 80 42869900 Fax: +91 80 42869905 www.axiomconsult.com
International Offices: Europe Tel: +32 (0) 476 888 996 North America Tel: +1 513-791-2425 Singapore Tel: +65 6225 9885

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.
 3. M/s. Guru and Jana & Co, Chartered Accountants, were appointed as Statutory Auditors of the Company at the 29th November 2014 for a period of 5 years up to 18th Annual General Meeting to be held in the year 2019. Pursuant to Notification issued by the Ministry of Corporate Affairs on 7th May, 2018 amending section 139 of the Companies Act, 2013 and the Rules framed thereunder, the mandatory requirement for ratification of appointment of Auditors by the Members at every Annual General Meeting (“AGM”) has been omitted, and hence the Company is not proposing an item on ratification of appointment of Auditors at this AGM.
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FORM OF PROXY
FORM NO. MGT-11

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

CIN : U74140KA2001PLC029153
Name of the Company : AXIOM CONSULTING LIMITED
Registered office : No. 307, SHREE CHAMBERS, 3rd 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 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 **Friday, 21st September 2018 at 02.00 P.M.** at the Registered Office of the Company.

Signed this _____ day of _____ 2018

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 Limited
Bangalore.

Your Directors are pleased to present Seventeenth Annual Report on the performance of your Company along with the Audited Financial Statements for the year ended on 31st March, 2018.

Financial Highlights:

(Amounts in Rupees Lakhs)

Particulars	2017-18		2016-17	
	Standalone	Consolidated	Standalone	Consolidated
Revenue from operations	593.09	2534.15	863.74	3215.88
Total Income	714.36	2606.63	969.68	3299.95
Operating expenditure	663.89	2824.02	863.85	3289.45
Operating Profit (EBITDA)	50.47	(217.39)	105.83	10.50
Finance cost	35.59	128.61	25.23	60.29
Depreciation, Amortization and Impairment	138.67	209.33	149.98	205.42
Profit (Loss) before tax	(123.79)	(555.33)	(69.38)	(255.20)
Tax (Current tax and Deferred tax)	(45.61)	(135.96)	(7.69)	(82.73)
Profit after tax	(78.18)	(419.37)	(61.70)	(172.47)
Earnings per share (Rs.) (Basic and Diluted)	(5.81)	(31.16)	(4.58)	(12.82)

Performance of the Company:

a) Standalone financial performance

For the financial year 2017-18, on a standalone basis that is of Axiom Consulting Limited (formerly known as Axiom Consulting Pvt. Ltd) the turnover decreased by about 32% to Rs. 593.09 lakhs in the year under review from Rs. 863.74 lakhs in the previous year.

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The operating profit for 2017-18, on a standalone basis also decreased by about 48% to Rs. 50.47 lakhs in the year under review from Rs. 105.83 lakhs in the previous year.

b) Consolidated

For the financial year 2017-18, consolidated turnover decreased by about 22% to Rs. 2534.15 lakhs in the year under review from Rs. 3,215.88 lakhs in the previous year.

The operating profit/loss for 2017-18, during the year the Company incurred total operating loss of Rs. (217.39) lakhs as against an operating profit Rs. 10.50 lakhs during previous year.

c) Operations Review

As noted in the previous fiscal year, 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 especially on the online platform and a slowdown in R&D spend by our global clientele. This negatively impacted our top line particularly due to tapering of certain long term contracts by our largest client due to various market pressures. While sales cycles have been longer, the company has continued to sign up new clientele and delivered success on several pilot engagements.

The management continues to strongly believe in the long term potential and health of the business. We believe we are starting to see a gradual turnaround in the business outlook and this trend should grow over the next 18-24 months. Further we continue to develop new skills and capabilities in the digital arena and are confident that these investments will unlock significant growth over the next 24 months.

The company continues to implement significant cost cutting measures. The company continues to invest in active sales and marketing initiatives in North America and Asia including lead generation and other active client engagement initiatives. The company believes these efforts will produce significant returns over the next 12 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 continued to add new clients with diversification into two new verticals and revenue generation from new digital revenue streams.

d) Change in nature of business, if any

There was no change in nature of Business carried out by the Company during the financial year 2017-18.

e) 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.

f) 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”

The Company does not have any Joint Venture.

g) 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.

h) Dividend

In view of Loss during the year there is no dividend for the financial year 2017-18.

i) 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

Particulars	Amount (Rs.)
Secured Loans	20,695,100
Unsecured Loans	5,016,542
Non-Current Investments	34,38,293
Loan from related parties	7,350,000
Guarantees	Nil
Securities Extended	Nil

j) 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.

k) Change of name of the Company

Your company has changed its name from Axiom Consulting Private Limited to Axiom Consulting Limited dated on September 14, 2018.

Your Company was incorporated as a Private Limited Company within the meaning of the Companies Act, 1956. Considering the future expansion plans and to broad base the shareholdings, the Company has converted from Private Company to Public Company.

1. DIRECTORS AND KEY MANAGERIAL PERSONNEL

a) Meetings of the 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	Lakshminarayana Giridhar
1	14 th April, 2017	Yes	Yes
2	20 th July, 2017	Yes	Yes
3	9 th October, 2017	Yes	Yes
4	6 th November, 2017	Yes	Yes
5	10 th January, 2018	Yes	Yes

b) Directors' responsibility statement

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

- In the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;;
- Appropriate accounting policies have been selected and applied consistently and judgments and estimates made that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year ended 31st March 2018 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 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 31.03.2018

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

d) Changes in Directors and Key Managerial Personnel:

There were no changes in the management of the company and no Directors or Additional Directors were appointed during the financial year under review

However, Mr. Ravindra Krishnappa (DIN: 00120780) and Mr. Prabuddha Das Gupta (DIN: 07838327) appointed as a Non- Executive Director of the Company with effect from August 17, 2018.

e) 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.

2. AUDITORS

a) Statutory Auditors

The Members at the Annual General Meeting held on November 29, 2014 had appointed M/s Guru & Jana , Chartered Accountants, Bangalore (FRN: 006826S), as the Statutory Auditors of the Company pursuant to the provisions of Section 139 and other applicable provisions, if any, of the Companies Act, 2013 to hold office from the conclusion of that Annual General Meeting, until the conclusion of the 18th Annual General Meeting, and The Board proposes to fix the remuneration subject to approval of shareholders 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, 2018.

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, 2018.

d) Secretarial Audit report

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

3. DEPOSITS

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

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

4. 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 other than routine operational, financial or general macro-economic risks inherent in similar businesses and the geographies in which the Company operates.

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

Conservation of energy:

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

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

Technology absorption:

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

5. FOREIGN EXCHANGE EARNING AND OUTGO:

Sl. No.	Particulars	As on 31.03.2018 (In INR)	As on 31.03.2017 (In INR)
01.	Foreign Exchange Earnings	48,496,582	84,328,519
02.	Foreign Exchange Outgo	1,463,920	51,43,161

6. SHARE CAPITAL:

The Board provides following disclosures pertaining to Companies (Share Capital and Debentures) Rules, 2014:

Sl. No.	Particulars	Disclosure
1.	Issue of Equity shares with differential rights	Nil
2.	Issue of Sweat Equity shares	Nil
3.	Issue of employee stock option	Nil
4.	Provision of money by company for purchase of its own shares by trustees for the benefit of employees	Nil

The paid up Equity Share Capital of the Company as on March 31, 2018 was INR 13,457,520/-.

During the year under review there were no changes in authorised and paid-up share capital of the company.

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.

e) Compliance with Sexual Harassment law

The Company has zero tolerance for sexual harassment at workplace and has adopted a policy on prevention, prohibition and redressal of sexual harassment at workplace in line with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the rules made thereunder.

There were no complaints received on Sexual Harassment at Workplace during Financial Year 2017-18

f) Secretarial Standards

The Directors have devised proper systems to ensure compliance with the provisions of all applicable Secretarial Standards and that such systems are adequate and operating effectively.

7. 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”.

8. HUMAN RESOURCES:

The management has always carried out systematic appraisal of performance and imparted training at periodic intervals. The Company has always recognized talent and has judiciously followed the principle of rewarding performance.

9. PARTICULARS OF EMPLOYEES:

During the year under review, the Company had no employees who earned remuneration beyond the limits specified under Section 197 read with Rule 5 of The Companies (Appointment and Remuneration of Managerial Personnel) Amendment Rules, 2016.

10. 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.

On behalf of the Board
For Axiom Consulting Limited

	Sd/-	Sd/-
Place: Bangalore	Satya Simha Rao	Lakshminarayana Giridhar
Date: September 18, 2018	Chairman & Managing Director	Whole-time Director
	DIN: 00350297	DIN: 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, 2018	31 st March, 2018
Reporting Currency and exchange rate as on 31 st March, 2017	USD 1 = Rs. 65.0441	SGD 1 = Rs. 49.6816
Change during the year	Nil	Nil
% of shareholding	100%	100%
Share capital	Rs. 59,360	Rs. 33,78,933
Reserves and Surplus	Rs. (162,610)	Rs. 5,282,258
Total Assets	Rs. 4,094,591	NIL
Total liabilities (excluding share capital and reserves)	Rs. 4,192,157	Rs. 1,108,812
Investments	Nil	Nil
Turnover / Revenue	Nil	Rs. 11,166,696
EBITDA	Nil	Rs. 3,455,818
Profit before tax	Nil	Rs. 3,422,220
Provision for tax	Nil	Rs. 117,301
Profit after tax	Nil	Rs. 3,304,919
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.
1.	Latest Audited Balance Sheet Date	31 st March, 2018
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, 2018	Rs. (30,072,603)
6.	Profit / Loss for the year (after tax)	
i	Considered in Consolidation	Rs. (37,423,419)
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 TO DIRECTORS' REPORT

**FORM NO. MGT 9
EXTRACT OF ANNUAL RETURN
As on financial year ended on 31.03.2018**

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	U74140KA2001PLC029153
2	Registration Date	19-Jun-01
3	Name of the Company	Axiom Consulting Limited (formerly known as Axiom Consulting Private Limited)
4	Category/Sub-category of the Company	Public Limited
5	Address of the Registered office & contact details	No. 307, Shree Chambers, 3rd Floor, 100 Feet Ring Road, 4th Phase, 7th Block, Banashankari 3rd Stage, Bangalore – 560 085 Tel: +91-80-42869900/01 Email Id: satya@axiomconsult.com
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%

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-2017]				No. of Shares held at the end of the year [As on 31-March-2018]					% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares		
A. Promoters										
(1) Indian										
a) Individual/ HUF		776,250	776,250	57.68%		776,250	776,250	57.68%		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)	-	776,250	776,250	57.68%	-	776,250	776,250	57.68%		0.00%
(2) Foreign										
a) NRI Individuals			-	0.00%			-	0.00%		0.00%
b) Other Individuals		-	-	0.00%		-	-	0.00%		0.00%
c) Bodies Corp.			-	0.00%			-	0.00%		0.00%
d) Any other			-	0.00%			-	0.00%		0.00%
Sub Total (A) (2)	-	-	-	0.00%	-	-	-	0.00%		0.00%
TOTAL (A)	-	776,250	776,250	57.68%	-	776,250	776,250	57.68%		0.00%

B. Public										
1. Institutions										
a) Mutual Funds			-	0.00%			-	0.00%		0.00%
b) Banks / FI			-	0.00%			-	0.00%		0.00%
c) Central Govt			-	0.00%			-	0.00%		0.00%
d) State Govt(s)			-	0.00%			-	0.00%		0.00%
e) Venture Capital Funds			-	0.00%			-	0.00%		0.00%
f) Insurance			-	0.00%			-	0.00%		0.00%
g) FIIs			-	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		10,400	10,400	0.77%		10400	10,400	0.77%		0.00%
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh		307,424	307,424	22.84%		307424	307,424	22.84%		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		251,678	251,678	18.70%		251678	251,678	18.70%		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):-	-	569,502	569,502	42.32%	-	569,502	569,502	42.32%		0.00%
Total Public (B)	-	569,502	569,502	42.32%	-	569,502	569,502	42.32%		0.00%
C. Shares held by Custodian for GDRs & ADRs			-	0.00%				0.00%		0.00%
Grand Total	-	1,345,752	1,345,752	100.00%	-	1,345,752	1,345,752	100.00%		0.00%

(ii) Shareholding of Promoter

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

(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			251,678	18.70%	251,678		18.70%
	Changes during the year			-	0.00%	-		0.00%
	At the end of the year			251,678	18.70%	251,678		18.70%
2	Mr. A.J. Chandrasekhar							
	At the beginning of the			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			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			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			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			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			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			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			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			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			421,250	31.30%	421,250		31.30%
	Changes during the year			-	0.00%	-		0.00%
	At the end of the year			421,250	31.30%	421,250		31.30%
2	Mr. Lakshminarayana Giridhar							
	At the beginning of the			355,000	26.38%	355,000		26.38%
	Changes during the year			-	0.00%	-		0.00%
	At the end of the year			355,000	26.38%	355,000		26.38%

V. INDEBTEDNESS

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

(Amt. Rs./Lacs)

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	27,769,702.00	NIL	NIL	27,769,702.00
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)	27,781,638.00	-	-	27,781,638.00
Change in Indebtedness during the financial year				
* Addition	5,500,000.00	12,366,541.94	NIL	17,866,541.94
* Reduction	12,574,602.00	NIL	NIL	12,574,602.00
Net Change	18,074,602.00	12,366,541.94	-	30,441,143.94
Indebtedness at the end of the financial year				
i) Principal Amount	20,695,100.00	12,366,541.94	NIL	33,061,641.94
ii) Interest due but not paid	NIL	NIL	NIL	-
iii) Interest accrued but not due	91,601.33	NIL	NIL	91,601.33
Total (i+ii+iii)	20,786,701.33	12,366,541.94	-	33,153,243.27

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

SN.	Particulars of Remuneration	Name of MD/WTD/ Manager		Total Amount
		Name	Mr. Satya Simha Rao	Mr. Lakshminarayana Gi
		Designation	Chairman & Managing Direc	Whole Time Director
1	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961		1,584,750.00	1,584,750.00
	(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)		1,584,750.00	1,584,750.00
	Ceiling as per the Act			

B. Remuneration to other Directors - Nil

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 (Rs/Lac)
	Name					
	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)					-
	(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 Limited

Sd/-
Satya Simha Rao
Managing Director
(DIN: 00350297)

Sd/-
Giridhar Lakshminarayana
Whole Time Director
(DIN: 01553968)

Place: Bangalore
Date : September 18,2018

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 2018, 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	231,963
Management fee	Axiom Product Development LLC, USA	Associate company	3 years from 1 April 2014	2% on Revenue generated	3,761,175
Project services	Axiom Product Development LLC, USA	Associate company	3 years from 1 April 2014	Cost plus 15% on project services provided to group company. As mutually agreed.	3,524,545
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.	2,848,606
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	93,664

No advances have been given to Axiom Product Development LLC, USA and Axiom Product Development Pte Ltd., Singapore during 2017-18.

By Order of the Board
For Axiom Consulting Limited

Sd/-
Satya Simha Rao
Managing Director
(DIN:00350297)

Sd/-
Giridhar Lakshminarayana
Wholetime Director
(DIN: 01553968)

Place: Bangalore
Date : September 18, 2018

INDEPENDENT AUDITOR'S REPORT

To
The Members,
AXIOM CONSULTING LIMITED
(Formerly known as Axiom Consulting Private Limited)

Report on the Standalone Financial Statements

1. We have audited the accompanying standalone financial statements of **AXIOM CONSULTING LIMITED** (Formerly known as Axiom Consulting Private Limited) ("the Company"), which comprise the standalone Balance Sheet as at 31st March 2018, 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 2018, and its loss and its cash flows for the year ended on that date.
5. Refer note 25(10) notes to accounts, forming part of Financial Statements, 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 not approached the Authorised Dealer regarding receivables for obtaining the necessary approvals.

Report on Other Legal and Regulatory Requirements

6. 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.
7. 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 2018 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March 2018 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.

For **Guru & Jana,**

Chartered Accountants

Firm Registration No: 006826S

Sd/-

M. Guru Prasad

Partner

Membership No: 200714

Place: Bengaluru

Date: September 18, 2018

“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, 2018)

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 with few delays in remittance of Tax Deducted at Source. According to the information and explanations given to us, no undisputed amounts payable in respect of the above were in arrears as at 31st March 2018 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 2018

(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 : Bengaluru

Date : September 18, 2018

BALANCE SHEET AS AT 31ST MARCH 2018

(Amounts in Rupees)

		31-Mar-18	31-Mar-17
Particulars	Note	Total	Total
Equity and Liabilities			
Shareholders' Funds			
Share capital	2	13,457,520	13,457,520
Reserves and surplus	3	21,362,356	29,134,282
Non-current Liabilities			
Long term borrowings	4	9,386,753	6,083,255
Long term provisions	5	7,738,719	7,285,655
Current Liabilities			
Short term borrowings	6	16,590,248	8,996,201
Trade payables	7		
- Micro and small enterprises		-	154,876
- Others		12,205,727	9,875,471
Other current liabilities	8	14,319,791	23,226,840
Short-term provisions	9	544,431	571,549
Deferred tax liability (net)	10	-	1,523,234
		95,605,544	100,308,883
Assets			
Non-current Assets			
Property, Plant and Equipment			
Tangible assets	11	2,684,129	3,976,225
Intangible assets	12	9,740,068	22,271,123
Intangible assets under development		9,718,963	9,718,963
Non-current investments	13	3,438,293	3,438,293
Deferred Tax asset (net)	10	3,037,519	-
Long term loans and advances	14	4,116,122	4,103,186
Current Assets			
Trade receivables	15	22,182,394	20,685,493
Cash and cash equivalents	16	2,863,639	6,513,649
Short term loans and advances	17	20,565,851	16,810,374
Other current assets	18	17,258,566	12,791,577
		95,605,544	100,308,883
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 Limited

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

Sd/-
Giridhar Lakshminaray
Wholtime Director
DIN:01553968

Place: Bengaluru
Date: 18.09.2018

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH 2018

(Amounts in Rupees)

Particulars	Note	Total	2017
Income			
Revenue from operations	19	59,308,618	86,373,980
Other income	20	12,127,540	10,594,234
		71,436,158	96,968,214
Expenses			
Employee benefits expenses	21	45,426,160	57,626,102
Other expenses	22	20,963,314	28,759,326
		66,389,474	86,385,428
Earnings before interest, tax, depreciation and amortization (EBITDA)		5,046,684	10,582,786
Finance cost	23	3,558,836	2,523,282
Depreciation, amortisation and impairment	24	13,866,793	14,997,870
Profit/(Loss) before tax		(12,378,945)	-6,938,366
Tax expenses			
Current tax		-	-
MAT credit		-	-
Deferred tax charge/ (income)		(4,560,753)	(768,633)
Profit/(Loss) after tax		(7,818,192)	(6,169,733)
Earnings Per Share (par value of Equity Shares Rs.10 each)			
Basic & Diluted			
On the basis of profit from continuing operations		(5.81)	(4.58)
On the basis of total profit for the year		(5.81)	(4.58)

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 Limited

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

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

Sd/-
Giridhar Lakshminarayan
Wholetime Director
DIN:01553968

Place: Bengaluru
Date: 18.09.2018

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2018

Particulars	2018	2017
Cash Flow from Operating Activities		
Net profit after tax	(12,378,945)	(6,938,366)
Adjustments for:	-	-
Net Income tax for current period	-	-
Depreciation	13,866,793	14,997,870
Interest income	-	-
Dividend income	(2,929,370)	-
Interest expense	2,881,147	2,187,426
Profit on sale of assets	-	-
Impairment loss	-	-
Operating profit before working capital changes	1,439,625	10,246,930
Movement in trade receivables	(1,496,901)	(576,128)
Movement in deferred tax	-	-
Movement in long term loans and advances	(12,936)	93,886
Movement in short term loans and advances	(3,755,477)	(362,362)
Movement in other current assets	(4,466,989)	(3,165,281)
Movement in long term provisions	453,064	(1,432,546)
Movement in trade payables	2,175,379	3,024,953
Movement in other current liabilities	(8,907,049)	(5,904,731)
Movement in short-term provisions	(27,118)	(115,916)
Cash from operating activities	(14,598,401)	1,808,805
Tax payable	-	-
Net Cash from operating activities	(14,598,401)	1,808,805
Cash Flow from Investing Activities		
Purchase of fixed assets	(43,642)	(400,401)
Sales of fixed assets	-	-
Impairment of Assets	-	-
Capitalisation of Intangibles assets under Development	-	(8,737,068)
Divedend Received	2,929,370	-
Net cash used in investing activities	2,885,728	(9,137,469)
Cash Flow from Financing Activities		
Movement in long term borrowings	3,303,498	(5,503,162)
Movement in short term borrowings	7,594,047	4,467,119
Interest paid	(2,881,147)	(2,187,426)
Net cash used in financing activities	8,016,398	(3,223,469)
Net movement in cash and cash equivalents	(3,696,273)	(10,552,133)
Cash and cash equivalents at beginning of period	6,513,649	17,281,257
Effect of exchange difference due to translation of foreign currency items	46,263	(215,475)
Cash and cash equivalents at end of period	2,863,639	6,513,649
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	1,749,845	3,335,354
Balances with banks on EEFC accounts	1,113,310	3,176,441
Cash in hand	484	1,854
Cash and cash equivalents as restated	2,863,639	6,513,649

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 Limited

Sd/-

M. Guru Prasad

Partner

Membership No: 200714

Sd/-

Satya Simha Rao

Chairman & Managing Director

DIN: 00350297

Sd/-

Giridhar Lakshminarayan

Wholetime Director

DIN:01553968

Place: Bengaluru

Date: 18.09.2018

Significant Accounting Policies

Company overview

Axiom Consulting Limited (Formerly known as Axiom Consulting Private Limited) ('the Company') was incorporated as a private limited company under the Indian Companies Act, 1956 on 19th June 2001 and got converted into Public Limited as on 04 September 2018 and is domiciled in India. The CIN U74140KA2001PLC029153

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.

Notes to Financial Statements for the year ended 31st March 2018

(Amounts in Rupees)

Particulars	2018	2017
Note 2 : Share Capital		
Authorised		
1,500,000 Equity Shares of Rs.10/- each (previous year 1,500,000)	15,000,000	15,000,000
	15,000,000	15,000,000
Issued, subscribed and fully paid-up		
1,345,752 Equity Shares (previous year - 1,345,752) of Rs.10/- each.	13,457,520	13,457,520
	13,457,520	13,457,520

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

Particulars	As at 31 March, 2018		As at 31 March, 2017	
	Number of shares	Amount	Number of shares	Amount
Opening balance	1,345,752	13,457,520	1,345,752	13,457,520
Issued during the year	-	-	-	-
Closing balance	1,345,752	13,457,520	1,345,752	13,457,520

b) Terms/ rights attached to equity shares

The Company has only one class of equity shares having a par value of Rs. 10 per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividends in Indian Rupees. During the year, the company has not declared any dividend.

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

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

Equity shares of Rs. 10 each fully paid-up	As at 31 March, 2018		As at 31 March, 2017	
	Number of shares	% holding	Number of shares	% holding
Satya Simha Rao	421,250	31.30%	421,250	31.30%
Giridhar L	355,000	26.38%	355,000	26.38%
Robert H Tate	251,678	18.70%	251,678	18.70%

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

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

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

	(Amounts in Rupees)	
	2018	2017
Note 3 : Reserves and surplus		
Securities Premium Reserve		
Opening balance	4,934,250	4,934,250
	4,934,250	4,934,250
Surplus in Statement of Profit and Loss		
Profit brought forward	17,661,004	23,830,734
Current year surplus	(7,818,192)	(6,169,733)
Adjustment relating to Depreciation on Fixed Assets	-	-
	9,842,812	17,661,001
Foreign exchange Translation Reserve		
Opening balance	6,539,031	6,754,506
Additions during the year	46,263	(215,475)
Closing balance	6,585,294	6,539,031
	21,362,356	29,134,282

Note 4 : Long term borrowings

Long term Loans

Indian Rupee term loan - secured	10,430,104	8,463,637
Foreign currency term loans - secured	1,024,747	10,309,863
Indian Rupee term loan - unsecured	5,016,542	-
	16,471,393	18,773,500
Less: Current Maturities		
Indian Rupee term loan - secured	4,205,624	3,393,253
Indian Rupee term loan - unsecured	1,854,269	-
Foreign currency term loans - secured	1,024,747	9,296,992
	7,084,640	12,690,245
Amount disclosed under the head "Other current liabilities" (Note 8)	(7,084,640)	(12,690,245)
	9,386,753	6,083,255

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 Rs. 1,89,532 per month including interest, starting from 5th September 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, 2018 USD 15,754.65) 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 Rs. 245,000 per month including interest, starting from 5th February 2017.
- 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 Rs. 213,917 per month including interest, starting from 10th September 2017.
- 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, 2018 Rs. 5,061,480.84) 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.
- 6) Indian rupee loan having original principal loan amount of Rs. 5,500,000/ (balance as at 31st March, 2018 Rs. 5,365,538.37) carrying floating rate of interest of 11.20% p.a. at year end. The loan is repayable in 36 monthly instalments of Rs. 178,763 per month including interest, starting from 1st February 2018.

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.

Unsecured loans consist of the following from Bank:

- 1) Indian rupee loan having original principal loan amount of Rs. 6,000,000/ (balance as at 31st March, 2018 Rs. 5,016,541.94) carrying floating rate of interest of 17% p.a. at year end. The loan is repayable in 36 monthly instalments of Rs. 213,917 per month including interest, starting from 10th September 2017.

	(Amounts in Rupees)	
	2018	2017
Note 5 : Long-term provisions		
Provision for Employee Benefits:		
(Refer Note 25.2 under notes to financial statements)		
Provision for Gratuity	5,668,790	4,685,948
Provision for Compensated Absences	2,069,929	2,599,707
	7,738,719	7,285,655
Note 6 : Short term borrowings		
Indian Rupee Overdraft loan - Secured	9,240,248	8,996,201
Foreign currency bill discounting loan - Secured	-	-
Loan from related parties (Directors)	7,350,000	-
	16,590,248	8,996,201
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		
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		
Note 7 : Trade payables		
Trade payables	12,205,727	10,030,347
	12,205,727	10,030,347
Note 8 : Other current liabilities		
Statutory liabilities	646,137	1,268,606
Payable to employees	3,414,887	3,344,061
Advances from customers	-	-
Current maturities of long term borrowings (Note 4)	7,084,640	12,690,245
Interest accrued but not due on term loan	91,601	11,936
Other payables	2,428,290	3,887,814
Deferred revenue	654,236	2,024,178
	14,319,791	23,226,840
Note 9 : Short term provisions		
Provision for Gratuity	365,306	354,481
Provision for Compensated absences	179,125	217,068
	544,431	571,549
Note 10 : Deferred tax liability (Net)		
Deferred tax liability		
Fixed assets	970,798	3,625,219
Gross deferred tax liability	970,798	3,625,219
Deferred tax asset		
Provision for gratuity	1,553,780	1,297,910
Provision for leave encashment	579,131	725,320
Other expenses and Carry forward loss	1,875,406	78,756
Gross deferred tax asset	4,008,317	2,101,986
	3,037,519	1,523,234

AXIOM CONSULTING LIMITED

(Formerly known as Axiom Consulting Private Limited)

Notes to Financial Statements for the year ended 31st March 2018**Note 11****Property, Plant and Equipments****Changes in the carrying value of tangible assets for the year ended 31st March 2018***(Amounts in Rupees)*

Particulars	GROSS BLOCK				DEPRECIATION						NET BLOCK	
	As at 1-4-2017	Additions	Deletions	As at 31-03-2018	Upto 1-4-2017	For the year	Impairment	Adjustment	Deletion	Total upto 31-03-2018	As at 31-03-2018	As at 31-03-2017
Computers & Accessories	10,993,397	43,642	-	11,037,039	8,511,820	909,852	-	-	-	9,421,672	1,615,367	2,481,577
Plant & Machinery	1,125,248	-	-	1,125,248	1,086,646	35	-	-	-	1,086,681	38,567	38,602
Furniture & Fixtures	6,077,600	-	-	6,077,600	4,870,922	322,414	-	-	-	5,193,336	884,264	1,206,678
Office Equipments	1,841,272	-	-	1,841,272	1,591,904	103,437	-	-	-	1,695,341	145,931	249,368
Total	20,037,517	43,642	-	20,081,159	16,061,292	1,335,738	-	-	-	17,397,030	2,684,129	3,976,225

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

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	Impairment	Adjustment	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

Note 12**Intangible assets****Changes in the carrying value of intangible assets for the year ended 31st March 2018***(Amounts in Rupees)*

Particulars	GROSS BLOCK				AMORTISATION						NET BLOCK	
	As at 1-4-2017	Additions	Deletions	As at 31-03-2018	Upto 1-4-2017	For the year	Impairment	Adjustment	Deletion	Total upto 31-03-2018	As at 31-03-2018	As at 31-03-2017
Acquired Software	29,533,339		-	29,533,339	19,214,816	4,092,566	-	-	-	23,307,382	6,225,957	10,318,523
Internally Developed	25,313,076	-	-	25,313,076	13,360,476	8,438,489	-	-	-	21,798,965	3,514,111	11,952,600
Total	54,846,415	-	-	54,846,415	32,575,292	12,531,055	-	-	-	45,106,347	9,740,068	22,271,123

Changes in the carrying amount 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
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

Intangible assets under development
Changes in the carrying value of intangible assets for the year ended 31st March 2018
(Amounts in Rupees)

Particulars	GROSS BLOCK				AMORTISATION						NET BLOCK	
	As at 1-4-2017	Additions	Deletions	As at 31-03-2018	Upto 1-4-2017	For the year	Impairment	Adjustment	Deletion	Total upto 31-03-2018	As at 31-03-2018	As at 31-03-2017
Under Development	9,718,963	-	-	9,718,963	-	-	-	-	-	-	9,718,963	9,718,963

Changes in the carrying amount of intangible assets under development 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

	(Amounts in Rupees)	
	2018	2017
Note 13 : Non-current investments		
Investment in Unquoted Equity Shares		
In Subsidiary companies:		
Axiom Product Development Pte. Ltd., Singapore	3,378,933	3,378,933
85,000 Ordinary shares (previous year: 85,000) of face value of SGD 1/- each fully paid up		
Axiom Americas Inc., USA	59,360	59,360
1,000 Ordinary shares (previous year: 1,000) of face value of USD 1/- each fully paid up		
	3,438,293	3,438,293
Note 14 : Long term loans and advances		
<i>(Unsecured, considered good unless stated otherwise)</i>		
Security deposits	21,500	21,500
Other receivables from subsidiaries	4,094,622	4,081,686
	4,116,122	4,103,186
Note 15: Trade receivables		
<i>(Unsecured, considered good unless stated otherwise)</i>		
Outstanding for more than 6 months *	10,849,183	7,975,367
Outstanding less than 6 months **	11,333,211	12,710,126
	22,182,394	20,685,493
* Rupees 1,06,24,916 (previous year Rs. 61,00,191) is receivable from related parties		
** Rupees 35,24,545 (previous year Rs. 45,24,725) is receivable from related parties		
Note 16 : Cash and cash equivalents		
Balances with Banks:		
on Current accounts	1,749,845	3,335,354
on EEFC accounts	1,113,310	3,176,441
Cash on hand	484	1,854
	2,863,639	6,513,649
Note 17 : Short term loans and advances		
<i>(Unsecured, considered good unless stated otherwise)</i>		
Deposits	1,065,044	1,064,839
Staff advances	145,120	124,646
Other advances	248,140	73,609
Prepaid expenses	996,313	535,558
Loans & advances to subsidiary company	4,960,429	4,713,776
Advance taxes (net of provision for taxation)	7,722,051	4,627,231
Balances with Government authorities	1,185,396	2,555,175
Tax paid under protest [refer Note 25(8)]	4,243,358	3,115,540
	20,565,851	16,810,374
Note 18 : Other current assets		
Unbilled revenue	1,245,325	852,052
Other receivables from subsidiary and associate companies	14,416,177	10,342,461
MAT Credit	1,597,064	1,597,064
	17,258,566	12,791,577

Notes to Financial Statements for the year ended 31st March 2018

	2018	2017
Note 19 : Revenue from operations		
Income from research, design & product development services	59,308,618	86,373,980
	59,308,618	86,373,980
Note 20 : Other income		
Non-operating income from services to subsidiaries	6,748,080	10,594,234
Dividend from subsidiary company	2,929,370	-
Miscellaneous Income	2,431,546	-
Exchange fluctuation gain (net)	18,544	-
	12,127,540	10,594,234
Note 21 : Employee benefits expenses		
Salaries and allowances	40,820,095	52,698,617
Contribution to provident and other funds	1,766,431	2,338,340
Gratuity	1,730,961	777,527
Leave encashment	50,254	808,424
Staff welfare	1,058,419	1,003,194
	45,426,160	57,626,102
Note 22 : Other expenses		
Product design expenses	5,170,666	5,336,243
Professional charges	4,683,567	5,227,993
Rent	2,575,445	3,724,734
Internet & communication charges	1,474,251	1,454,275
Travelling & conveyance	1,476,909	4,637,147
Miscellaneous expenses	1,441,555	1,246,025
Equipment Hire charges	1,126,559	2,120,136
Power & water	1,120,981	1,024,826
Bad Debts	237,506	-
Repairs and maintenance	720,432	1,786,724
Insurance	496,693	574,092
Auditors remuneration [Refer Note 25(7)]	200,000	200,000
Rates, taxes and duties	238,751	186,221
Exchange fluctuation loss (net)	-	1,223,153
Business development Expenses	-	17,757
	20,963,315	28,759,326
Note 23 : Finance cost		
Interest on loans	2,881,147	2,187,426
Bank charges	677,689	335,856
	3,558,836	2,523,282
Note 24 : Depreciation & Amortization		
Depreciation	5,428,304	2,063,435
Amortization	8,438,489	12,934,435
	13,866,793	14,997,870

Notes to Financial Statements for the year ended 31st March 2018

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

(Amounts in Rupees)

1 Earnings Per share (EPS)	2018	2017
Net Profit for Calculation of Basic and Diluted EPS	(7,818,192)	(6,169,733)
Weighted Average no of shares outstanding during the year	1,345,752	1,345,752
Weighted Average no of shares used to compute diluted EPS	1,345,752	1,345,752
Earnings Per Share		
- Basic	(5.81)	(4.58)
- Diluted	(5.81)	(4.58)

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. 17,33,912 (previous year Rs. 23,38,340).

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	2018	2017	2018	2017
	Compensated absences		Gratuity	
Current service cost	225,305	207,533	333,598	459,703
Interest cost on benefit obligation	208,293	292,474	372,727	440,646
Net actuarial loss/ (gain) recognised	(383,344)	308,416	(558,122)	(122,825)
Net benefit expense	50,254	808,423	148,203	777,524

Balance Sheet	2018	2017	2018	2017
	Compensated absences		Gratuity	
Defined benefit obligation	2,249,054	2,816,775	6,034,096	5,040,429
Plan (asset)/ liability	2,249,054	2,816,775	6,034,096	5,040,429

Changes in the present value of the defined benefit obligation

Opening defined benefit obligation	2,816,775	3,752,342	5,040,429	5,653,328
Interest cost	208,293	292,474	372,727	440,646
Past service cost	-	-	1,582,758	-
Current service cost	225,305	207,533	333,598	459,703
Benefits paid	(617,975)	(1,743,990)	(737,294)	(1,390,423)
Actuarial (gains)/losses on obligation	(383,344)	308,416	(558,122)	(122,825)
Closing defined benefit obligation	2,249,054	2,816,775	6,034,096	5,040,429

Investment details of plan assets (Not externally funded)	2018	2017
The principal assumptions used in determining gratuity obligation		
Discount rate	7.60%	7.40%
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	2018	2017	2016	2015	2014
Amounts for the current year and previous years are as follows:					
Experience adjustment					
Defined Benefit obligation	6,034,096	5,040,429	5,653,328	4,281,137	3,418,497
Net assets / (Liability)	(6,034,096)	(5,040,429)	(5,653,328)	(4,281,137)	(3,418,497)

Notes to Financial Statements for the year ended 31st March 2018

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
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	316,950	1,229,190	1,054,464	491,676	
Giridhar L	316,950	1,183,190	790,226	709,914	
II. Loan from Directors	Opening balance	Received during the year	Repaid during the year	Closing Balance payable	
Satya Simha Rao	-	4,350,000	125,000	4,225,000	
Giridhar L	-	3,000,000	-	3,000,000	
III. Other transactions	Opening balance	Other payables	Payment made	Closing Balance payable	
Giridhar L	470,533	163,555	300,000	334,088	
II. Investments in Equity Shares		2018	2017		
Axiom Americas Inc., USA		59,360	59,360		
Axiom Product Development Pte Ltd, Singapore		3,378,933	3,378,933		
III. Other transactions during the year		2018	2017		
	Subsidiary companies	Associate company	Total		
Rendering of services - 2018					
Axiom Product Development LLC, USA	3,761,143	-	3,761,143		
Axiom Product Development Pte Ltd, Singapore	231,966	-	231,966		
Axiom Product Development LLC, USA	3,524,537	-	3,524,537		
Axiom Product Development LLC, USA	2,848,607	-	2,848,607		
Rendering of services - 2017	21,739,885	1,457,986	23,197,871		
Receiving of services - 2018	-	-	-		
Axiom Product Development LLC, USA	93,672	-	93,672		
Receiving of services - 2017	1,678,116	21,519,754	23,197,871		
IV. Loans, advances, repayment and year end balances	At start of the year	Receivable	Repayable/ Reclassification	Foreign exchange impact	At end of the year
Axiom Product Development Pte Ltd, Singapore - Receivable	4,713,776	231,966	-	14,686	4,960,429
Axiom Product Development Pte Ltd, Singapore - Payable	4,503,904	-	-	-	4,503,904
Axiom Product Development LLC, USA - Receivable	20,967,377	10,134,286	(16,854,141)	168,655	14,416,178
Axiom Product Development LLC, USA - Payable	1,445,270	-	93,672	4,573	1,543,515
Axiom Americas Inc., USA	4,081,686	-	-	12,937	4,094,623
Axiom Product Development LLC, USA - Trade Receivable	-	14,149,461	-	-	14,149,461

4 Earnings and Expenditure in Foreign Currency

	2018	2017
Earnings in foreign exchange	48,496,582	84,328,519
Expenditure in foreign currency	1,463,920	5,143,161

- 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.

6 Particulars

	2018	2017
a) The principal amount relating unpaid to any supplier at the end of accounting year	Nil	Nil
b) The Interest amount relating unpaid to any supplier at the end of accounting year	Nil	Nil
c) Delay in making payment of Interest due and payable without adding Interest specified under the MSMED act, 2006	Nil	Nil
d) The interest amount unpaid and remaining unpaid at the end of the accounting year	Nil	Nil
d) The interest amount due and payable for next year for the purpose of disallowance of expenditure u/s 23 of MSMSSED act, 2006	Nil	Nil

Notes to Financial Statements for the year ended 31st March 2018

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

(Amounts in Rupees)

7 Auditors' remuneration	2018	2017
Statutory & Tax audit fee	200,000	245,830
Certification charges	49,000	39,000
Taxation services	227,996	300,000
Other Services	526,813	261,167
Total	1,003,809	845,997

8 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:

	2018	2017
Salaries	-	7,628,782
Travelling & conveyance	-	-
Professional charges	-	-
Total	-	7,628,782

9 Tax Paid under Protest

The Company has paid Rs. 73,58,898 as below 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.-

Particulars	2017-18	2016-17	Total
Tax Paid under Protest	4,243,358	3,115,540	7,358,898

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 not approached the Authorised Dealer regarding receivables for obtaining the necessary approvals.

11 Subsequent event - Conversion from Private Limited Company to Public Limited Company:

The Company vide Board of Directors meeting held on 10 August 2018 and Extra Ordinary General Meeting dated 17 August 2018 has approved for converting from Private Limited Company to Public Limited Company and has received the approval from MCA and has obtained the Certificate of Incorporation consequent upon the conversion to Public Limited Company dated 4 September 2018.

12 Reconciliations & confirmations

Trade receivables & payables, other receivables & payables including related parties are subject to confirmations and reconciliations.

13 Previous year figures have been regrouped/rearranged and recast, wherever necessary, to confirm to current year's presentation.

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
For Axiom Consulting Limited

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

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

Sd/-
Giridhar Lakshminarayan
Wholetime Director
DIN:01553968

Place: Bengaluru
Date: 18.09.2018

INDEPENDENT AUDITOR'S REPORT

TO
THE MEMBERS OF
AXIOM CONSULTING LIMITED
(Formerly known as Axiom Consulting Private Limited)

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of **AXIOM CONSULTING LIMITED** (Formerly known as 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, 2018, 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, 2018.

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, 2018, 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. 97,70,002 (SGD 1,96,652) as at 31st March, 2018, total revenues of Rs. 1,11,66,696 (SGD 2,33,993) and net cash flows amounting to Rs. 5,31,181 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. 7,42,32,366 (USD 10,99,447) as at 31st March, 2018, total revenues of Rs. 18,64,63,783 (USD 28,91,216) and net cash flows amounting to Rs. 1,71,977 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, 2018 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, 2018 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: Bengaluru
Date: 18.09.2018

AXIOM CONSULTING LIMITED*(Formerly known as Axiom Consulting Private Limited)***CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH 2018**

Particulars	Note	As at 31-03-2018	As at 31-03-2017
Equity and Liabilities			
<i>Shareholders' Funds</i>			
Share capital	2	13,457,520	13,457,520
Reserves and surplus	3	(3,487,387)	41,754,209
<i>Non-current Liabilities</i>			
Long term borrowings	4	44,260,591	7,119,338
Other Long term Liabilities		-	-
Long term provisions	5	7,738,719	7,285,655
<i>Current Liabilities</i>			
Short term borrowings	6	16,590,248	15,778,220
Trade payables	7	20,650,538	14,651,735
Other current liabilities	8	29,718,184	46,366,246
Short-term provisions	9	731,234	774,015
Deferred tax liability	10	-	-
		129,659,647	147,186,938
Assets			
<i>Non-current Assets</i>			
Fixed assets			
Property, Plant and Equipments	11	3,475,383	14,158,697
Intangible assets	12	13,641,064	23,194,263
Intangible assets under development	12	11,697,837	11,697,837
Long term loans and advances	13	21,500	21,500
<i>Current Assets</i>			
Deferred tax Asset	10	12,562,057	5,933,854
Trade receivables	14	54,015,074	63,297,381
Cash and cash equivalents	15	3,571,797	8,421,155
Short term loans and advances	16	26,145,968	15,042,961
Other current assets	17	4,528,967	5,419,289
		129,659,647	147,186,938
<i>Significant accounting policies</i>	1		

The accompanying notes are an integral part of the Financial Statements

As per our report of even date

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

For and on behalf of the Board of Directors
FOR AXIOM CONSULTING LIMITED

Sd/-

M. Guru Prasad
Partner
Membership No: 200714

Sd/-

Satya Simha Rao
Chairman & Managing Director
DIN: 00350297

Sd/-

Giridhar Lakshminarayana
Wholetime Director
DIN:01553968

Place: Bengaluru
Date: 18.09.2018

AXIOM CONSULTING LIMITED
(Formerly known as Axiom Consulting Private Limited)



CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH 2018

Particulars	Note	April to Mar-18	April to Mar-17
Income			
Revenue from operations	18	253,414,561	321,588,279
Other income	19	7,248,444	8,406,309
		260,663,005	329,994,588
Expenses			
Employee benefits expenses	20	215,133,165	226,684,493
Other expenses	21	67,268,640	102,260,090
		282,401,805	328,944,583
Earnings before interest, tax, depreciation and amortization (EBITDA)		(21,738,801)	1,050,005
Finance cost	22	12,861,138	6,028,531
Depreciation, amortisation and impairment	23	20,932,663	20,541,964
Profit before tax		(55,532,602)	(25,520,490)
Tax expenses			
Current tax		117,301	211,369
MAT credit		-	-
Deferred tax charge/ (credit)		(13,713,176)	(8,484,654)
Profit after tax		(41,936,727)	(17,247,205)
Earnings Per Share (par value Equity Shares of Rs.10 each)			
Basic & Diluted			
Computed on the basis of profit from continuing operations		(31.16)	(12.82)
Computed on the basis of total profit for the year		(31.16)	(12.82)

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: Bengaluru
Date: 18.09.2018

For and on behalf of the Board of Directors
FOR AXIOM CONSULTING LIMITED

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

Sd/-
Giridhar Lakshminarayan
WholetimeDirector
DIN:01553968

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2018

Particulars	3/31/2018	3/31/2017
<i>Cash Flow from Operating Activities</i>		
Net profit before tax	(55,532,602)	(25,520,490)
Adjustments for:		
Net Income tax for current period	117,301	-
Depreciation	20,932,663	20,541,964
Forex loss or gain on conversion	2,701,591	-
Dividend income	(2,929,370)	-
Interest expense	11,430,774	2,854,427
Operating profit before working capital changes	(23,279,644)	(2,124,099)
Movement in trade receivables	9,975,534	(9,504,480)
Movement in deferred tax	-	-
Movement in long term loans and advances	-	-
Movement in short term loans and advances	(10,881,259)	(1,248,735)
Movement in other current assets	890,322	2,433,876
Movement in Other long term liabilities	(16,765,363)	1,937,644
Movement in long term provisions	453,064	(1,432,546)
Movement in trade payables	5,998,803	(1,249,413)
Movement in short-term provisions	(42,781)	(3,733,262)
Cash from operating activities	(33,651,323)	(14,921,015)
Tax payable	-	-
Net Cash from operating activities	(33,651,323)	(14,921,015)
<i>Cash Flow from Investing Activities</i>		
Purchase of fixed assets	(696,175)	(11,730,998)
Divedend Received	2,929,370	-
Capitalisation of intangible assets under development	-	(10,715,942)
Net cash used in investing activities	2,233,195	(22,446,940)
<i>Cash Flow from Financing Activities</i>		
Movement in long term borrowings	37,141,253	(4,467,079)
Movement in short term borrowings	812,028	11,249,138
Interest paid	(11,430,774)	(2,854,427)
Net cash used in financing activities	26,522,507	3,927,632
Net movement in cash and cash equivalents	(4,895,621)	(33,440,323)
Cash and cash equivalents at beginning of period	8,421,155	42,151,193
Effect of exchange difference due to translation of foreign currency items	46,263	(289,715)
Cash and cash equivalents at end of period	3,571,797	8,421,155
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	2,451,173	5,080,555
Balances with banks on EEFC accounts	1,113,310	3,176,441
Cash in hand	7,314	164,159
Cash and cash equivalents as restated	3,571,797	8,421,155

(0)

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
FOR AXIOM CONSULTING LIMITED

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

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

Sd/-
Giridhar Lakshminarayan
WholetimeDirector
DIN:01553968

Place: Bengaluru
Date: 18.09.2018

AXIOM CONSULTING LIMITED

(Formerly known as Axiom Consulting Private Limited)

Notes to Consolidated Financial Statements for the year ended 31st March 2018

	2018	2,017
	(Amounts in Rupees)	(Amounts in Rupees)

Note 2 : Share Capital
Authorised

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

Issued, subscribed and fully paid-up

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

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

Particulars	As at 31 March, 2018			As at 31 March, 2017	
	Number of shares	Amount	Amount	Number of shares	Amount
As at the beginning of the year	1,345,752	13,457,520	13,457,520	1,345,752	13,457,520
Issued during the year	-	-	-	-	-
Outstanding at the end of the year	1,345,752	13,457,520	13,457,520	1,345,752	13,457,520

b) Terms/ rights attached to equity shares

The Company has only one class of equity shares having a par value of Rs. 10 per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividends in Indian Rupees. During the year, the company has not declared any dividend.

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

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

Equity shares of Rs. 10 each fully paid	As at 31 March, 2018			As at 31 March, 2017	
	Number of shares	% holding	% holding	Number of shares	% holding
Satya Simha Rao	421,250	31.30%	31.30%	421,250	31.30%
Giridhar L	355,000	26.38%	26.38%	355,000	26.38%
Robert H Tate	251,678	18.70%	18.70%	251,678	18.70%

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

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

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

AXIOM CONSULTING LIMITED
(Formerly known as Axiom Consulting Private Limited)

Notes to Consolidated Financial Statements for the year ended 31st March 2018

	3/31/2018	3/31/2017
Note 3 : Reserves and surplus		
Securities Premium Reserve		
Opening balance	4,934,250	4,934,250
	4,934,250	4,934,250
Surplus in Statement of Profit and Loss		
Profit brought forward	30,280,928	47,528,137
Less - Dividend paid to Holding company	(3,351,133)	-
Current year surplus	(41,936,730)	(17,247,209)
	(15,006,935)	30,280,928
Foreign exchange Translation Reserve		
Opening balance	6,539,035	6,754,506
Additions during the year	46,263	(215,475)
Closing balance	6,585,298	6,539,031
	(3,487,387)	41,754,209
Note 4 : Long term borrowings		
Long term Loans		
Indian Rupee Term Loan - Secured	10,430,104	8,463,637
Foreign Currency Term Loans - Secured	33,438,475	10,309,863
Indian Rupee Term Loan - Unsecured	7,017,029	10,309,863
Long term Lease finance	459,624	1,036,083
	51,345,232	19,809,583
Less: Current Maturities		
Indian Rupee Term Loan - Secured	4,205,624	3,393,253
Foreign Currency Term Loan - Secured	1,024,747	-
Indian Rupee Term Loan - Unsecured	1,854,269	9,296,992
	7,084,640	12,690,245
Amount disclosed under the head "other current liabilities" (Note 8)	(7,084,640)	(12,690,245)
	44,260,591	7,119,338

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. The loan has been re-paid during the financial year.
- 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, 2018 USD 15,754.65) 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. The loan has been re-paid during the financial year.
- 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, 2018 Rs. 5,061,480.84) 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.
- 6) Indian rupee loan having original principal loan amount of Rs. 5,500,000/ (balance as at 31st March, 2018 Rs. 5,365,538.37) carrying floating rate of interest of 11.20% p.a. at year end. The loan is repayable in 36 monthly instalments of Rs. 178,763 per month including interest, starting from 1st February 2018.

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 .

Unsecured loans consist of the following from Bank:

- 1) Indian rupee loan having original principal loan amount of Rs. 6,000,000/ (balance as at 31st March, 2018 Rs. 5,016,541.94) carrying floating rate of interest of 17% p.a. at year end. The loan is repayable in 36 monthly instalments of Rs. 213,917 per month including interest, starting from 10th September 2017.

AXIOM CONSULTING LIMITED
(Formerly known as Axiom Consulting Private Limited)

Notes to Consolidated Financial Statements for the year ended 31st March 2018

	3/31/2018	3/31/2017
Other Long Term Liabilities		
Inter Company payables	-	-
	-	-
Note 5 : Long-term provisions	3/31/2018	Total
Provision for Employee Benefits:		
Provision for Gratuity	5,668,790	4,685,948
Provision for Leave Encashment	2,069,929	2,599,707
	7,738,719	7,285,655
Note 6 : Short term borrowings	3/31/2017	Total
Indian Rupee Overdraft loan - Secured	9,240,248	15,129,834
Loan from Related Parties (Directors)	7,350,000	648,386
Indian Rupee Overdraft loan - Unsecured	-	-
	16,590,248	15,778,220
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 .		
Note 7 : Trade payables	3/31/2018	3/31/2017
Trade payables	20,650,537	14,651,735
	20,650,537	14,651,735
Note 8 : Other current liabilities	3/31/2018	3/31/2017
Statutory liabilities	3,097,485	3,355,323
Payable to employees	6,986,432	6,399,898
Current maturities of long term borrowings (Note 4)	7,084,640	12,690,245
Interest accrued but not due on Term Loan	91,601	11,936
Other payables	11,321,553	17,445,166
Deferred rent liability	313,122	2,494,341
Deferred revenue	823,351	3,969,336
	29,718,184	46,366,246
Note 9 : Short term provisions	3/31/2018	3/31/2017
Provision for income tax (net of advance taxes)	186,803	202,466
Provision for gratuity	365,306	354,481
Provision for leave encashment	179,125	217,068
	731,234	774,015
Note 10 : Deferred tax liability/Asset (Net)	3/31/2018	3/31/2017
Deferred tax liability		
Fixed assets	970,798	2,873,943
Deferred rent liability	-	879,276
Accelerated depreciation	-	262,402
Charitable contribution carry forward	-	24,963
	970,798	4,040,584
Deferred tax asset		
Amortisation	9,524,538	208,715
Provision for Gratuity	1,553,780	(1,297,910)
Provision for Leave encashment	579,131	(725,320)
Other expenses	1,875,406	(78,756)
	13,532,855	(1,893,271)
	12,562,057	5,933,854

AXIOM CONSULTING LIMITED
(Formerly known as Axiom Consulting Private Limited)
Notes to Financial Statements for the year ended 31st March 2018
Note 11
Property, Plant and Equipments
Changes in the carrying value of tangible assets for the year ended 31st March 2018
(Amounts in Rupees)

Particulars	GROSS BLOCK				DEPRECIATION						NET BLOCK	
	As at 1-4-2017	Additions	Deletions	As at 31-03-2018	Upto 1-4-2017	For the year	Impairment	Adjustment	Deletion	Total upto 31-03-2018	As at 31-03-2018	As at 31-03-2017
Computers & Accessories	14,906,555	696,175	-	15,602,730	12,247,133	1,880,761	-	-	-	14,127,894	1,474,836	2,659,422
Plant & Machinery	1,125,248	-	-	1,125,248	1,086,646	35	-	-	-	1,086,681	38,567	38,602
Furniture & Fixtures	8,782,096	-	-	8,782,096	7,202,123	806,133	-	-	-	8,008,256	773,840	1,579,973
Office Equipments	7,178,161	-	-	7,178,161	5,755,290	1,157,848	-	-	-	6,913,138	265,024	1,422,871
Lease hold improvements	9,885,034	-	-	9,885,034	1,427,206	4,556,832	-	-	-	5,984,037	3,900,996	8,457,828
Total	41,877,094	696,175	-	42,573,269	27,718,396	8,401,608	-	-	-	36,120,005	6,453,264	14,158,697

Note 12
Intangible assets
Changes in the carrying value of intangible assets for the year ended 31st March 2018
(Amounts in Rupees)

Particulars	GROSS BLOCK				AMORTISATION						NET BLOCK	
	As at 1-4-2017	Additions	Deletions	As at 31-03-2018	Upto 1-4-2017	For the year	Impairment	Adjustment	Deletion	Total upto 31-03-2018	As at 31-03-2018	As at 31-03-2017
Acquired Software	32,644,008	-	-	32,644,008	21,402,344	4,092,566	-	-	-	25,494,910	7,149,098	11,241,664
Internally Developed	25,313,076	-	-	25,313,076	13,360,476	8,438,489	-	-	-	21,798,965	3,514,111	11,952,600
Total	57,957,084	-	-	57,957,084	34,762,820	12,531,055	-	-	-	47,293,875	10,663,208	23,194,263

Intangible assets under development
Changes in the carrying value of intangible assets for the year ended 31st March 2018
(Amounts in Rupees)

Particulars	GROSS BLOCK				AMORTISATION						NET BLOCK	
	As at 1-4-2017	Additions	Deletions	As at 31-03-2018	Upto 1-4-2017	For the year	Impairment	Adjustment	Deletion	Total upto 31-03-2018	As at 31-03-2018	As at 31-03-2017
Under Development	11,697,837	-	-	11,697,837	-	-	-	-	-	-	11,697,837	11,697,837

AXIOM CONSULTING LIMITED
(Formerly known as Axiom Consulting Private Limited)
Notes to Consolidated Financial Statements for the year ended 31st March 2018

	3/31/2018	3/31/2017
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Note 13 : Long term loans and advances
(Unsecured, considered good unless stated otherwise)

Security Deposits	21,500	21,500
	21,500	21,500

Note 14 : Trade receivables
(Unsecured, considered good unless stated otherwise)

Outstanding for more than 6 months *	917,494	7,975,367
Outstanding less than 6 months **	53,097,580	55,322,014
	54,015,074	63,297,381

* Rupees 1,06,24,916 (previous year Rs. 61,00,191) is receivable from related parties

** Rupees 35,24,545 (previous year Rs. 45,24,725) is receivable from related parties

Note 15 : Cash and cash equivalents

Cash and cash equivalents:

Balances with Banks:		
on Current accounts	2,451,173	5,080,555
on EEFC accounts	1,113,310	3,176,441
Cash on hand	7,314	164,159
	3,571,797	8,421,155

Note 16 : Short term loans and advances

(Unsecured, considered good unless stated otherwise)

Deposits	1,786,455	1,463,301
Staff Advances	145,120	124,646
Other Advances	248,140	73,609
Prepaid expenses	1,271,515	885,923
Inter Company Receivables	221,748	4,176
Advance taxes (net of provision for taxation)	16,946,670	6,723,333
Balances with Service Tax department & Other Authorities	1,282,962	2,652,433
Tax paid under protest [refer Note 25(7)]	4,243,358	3,115,540
	26,145,968	15,042,961

Note 17 : Other Current Assets

Unbilled Revenue	2,791,813	3,694,511
Maintenance agreement	2,472	2,431
Other Current assets	137,618	125,282
Other receivables from subsidiary and associate companies	-	-
Receivable from Customers	-	-
MAT Credit	1,597,064	1,597,064
	4,528,967	5,419,289

AXIOM CONSULTING LIMITED
(Formerly known as Axiom Consulting Private Limited)



Notes to Consolidated Financial Statements for the year ended 31st March 2018

	April to Mar-18	April to Mar-17
Note 18 : Revenue from operations		
Income from research, design & product development services	253,414,561	321,588,279
	253,414,561	321,588,279
Note 19 : Other income		
Exchange fluctuation gain (net)	997,137	981,661
Miscellaneous Income	3,320,351	1,228,577
Non-operating income from services to subsidiaries	-	5,836,320
Dividend from Subsidiary	2,929,370	-
Interest from banks	1,585	359,751
	7,248,443	8,406,309
Note 20 : Employee benefits expenses		
Salaries and allowances	190,829,635	199,953,010
Contribution to provident and other funds	14,727,224	16,028,360
Gratuity	1,730,961	777,527
Leave encashment	50,254	808,424
Staff welfare	7,795,092	9,117,172
	215,133,166	226,684,493
Note 21 : Other expenses		
Product design expenses	18,257,610	25,419,655
Professional charges	16,383,987	22,297,567
Travelling & conveyance	4,649,282	14,450,345
Rent	7,968,237	14,799,370
Hire charges	2,918,278	3,758,746
Repairs and maintenance	1,955,567	4,425,129
Internet & communication charges	5,967,902	5,676,406
Exchange fluctuation Loss (net)	813,965	1,483,830
Auditors remuneration	1,367,106	845,997
Power & water	2,792,491	2,807,328
Insurance	1,112,711	1,272,885
Rates, taxes and duties	655,151	880,939
Business development Expenses	365,325	1,007,408
Bad Debts Written off	237,506	-
Miscellaneous expenses	2,606,285	3,131,806
Inter Co expenses	(782,765)	2,679
	67,268,638	102,260,090
Note 22 : Finance cost		
Interest	11,184,366	2,588,481
Lease finance charges	246,408	265,947
Bank charges	1,430,364	3,174,103
	12,861,138	6,028,531
Note 23 : Depreciation & Amortization		
Depreciation	7,937,343	7,607,529
Amortization	12,995,321	12,934,435
	20,932,664	20,541,964

Significant Accounting Policies

Company overview

Axiom Consulting Limited (Formerly known as Axiom Consulting Private Limited) ('the Company') was incorporated as a private limited company under the Indian Companies Act, 1956 on 19th June 2001 and got converted into Public Limited as on 04 September 2018 and is domiciled in India. The CIN U74140KA2001PLC029153

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

Property, Plant and Equipment 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.

Significant Accounting Policies

8 Employee benefits

a. Defined Contribution Plans

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

b. Defined Benefit Plans

Gratuity

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

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 LIMITED
(Formerly known as Axiom Consulting Private Limited)
Notes to Consolidated Financial Statements for the year ended 31st March 2018
(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	(41,936,727)	26,594,468
Weighted Average no of shares outstanding during the year	1,345,752	1345752
Weighted Average no of shares used to compute diluted EPS	1,345,752	1345752
Earnings Per Share		
- Basic	(31.16)	19.76
- Diluted	(31.16)	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.1,47,27,224 (Previous year Rs. 160,28,360).

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	2018	2017	2018	2017
	Compensated absences		Gratuity	
Current service cost	225,305	207,533	333,598	459,703
Interest cost on benefit obligation	208,293	292,474	372,727	440,646
Net actuarial loss/ (gain) recognised	(383,344)	308,416	(558,122)	(122,825)
Net benefit expense	50,254	808,423	148,203	777,524

Balance Sheet	2018	2017	2018	2017
	Compensated absences		Gratuity	
Defined benefit obligation	2,249,054	2,816,775	6,034,096	5,040,429
Plan (asset)/ liability	2,249,054	2,816,775	6,034,096	5,040,429

Changes in the present value of the defined benefit obligation

Opening defined benefit obligation	2,816,775	3,752,342	5,040,429	5,653,328
Interest cost	208,293	292,474	372,727	440,646
Past service cost			1,582,758	
Current service cost	225,305	207,533	333,598	459,703
Benefits paid	(617,975)	(1,743,990)	(737,294)	(1,390,423)
Actuarial (gains)/losses on obligation	(383,344)	308,416	(558,122)	(122,825)
Closing defined benefit obligation	2,249,054	2,816,775	6,034,096	5,040,429

Investment details of plan assets (Not externally funded)	2018	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	2018	2017	2016	2015	2014
Amounts for the current year and previous years are as follows:					
Experience adjustment					
Defined Benefit obligation	6,034,096	5,040,429	5,653,328	4,281,137	3,418,497
Surplus / (Deficit)	(6,034,096)	(5,040,429)	(5,653,328)	(4,281,137)	(3,418,497)

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

AXIOM CONSULTING LIMITED

(Formerly known as Axiom Consulting Private Limited)

Notes to Consolidated Financial Statements for the year ended 31st March 2018

(Amounts in Rupees)

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	316,950	1,229,190	1,054,464	491,676
Giridhar L	316,950	1,183,190	790,226	709,914

II. Loan from Directors

	Opening balance	Received during the year	Repaid during the year	Closing Balance payable
Satya Simha Rao	-	4,350,000	125,000	4,225,000
Giridhar L	-	3,000,000	-	3,000,000

III. Other transactions

	Opening balance	Other payables	Payment made	Closing Balance payable
Giridhar L	470,533	163,555	300,000	334,088

- 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

	2018	2017
Statutory & Tax audit fee	200,000	245,830
Cerification charges	49,000	39,000
Taxation services	227,996	300,000
Other Services	526,813	261,167
Total	1,003,809	845,997

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:

	2018	2017
Salaries	-	7,628,782
Travelling & conveyance	-	-
Professional charges	-	-
Total	-	7,628,782

7 Tax Paid under Protest

The Holding Company has paid Rs. 73,58,898 as below 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 Holding Company has gone for Appeal and the proceedings is still pending as at year-end.-

Particulars	2017-18	2016-17	Total
Tax Paid under Protest	4,243,358	3,115,540	7,358,898

8 Subsequent event - Conversion from Private Limited Company to Public Limited Company:

The Company vide Board of Directors meeting held on 10 August 2018 and Extra Ordinary General Meeting dated 17 August 2018 has approved for converting from Private Limited Company to Public Limited Company and has received the approval from MCA and has obtained the Certificate of Incorporation consequent upon the conversion to Public Limited Company dated 4 September 2018.

- 9 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: Bengaluru
Date: 18.09.2018

For and on behalf of the Board of Directors
FOR AXIOM CONSULTING LIMITED

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

Sd/-
Giridhar Lakshminarayan
Wholetime Director
DIN:01553968