

CONSOLIDATED  
FINANCIAL STATEMENT



## 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 31<sup>st</sup> 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.

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## 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 31<sup>st</sup> 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. 5,36,181 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 31<sup>st</sup> 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 31<sup>st</sup> 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





- 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

  
M. Guru Prasad

Partner

Membership No: 200714



Place : Bengaluru

Date : September 18, 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
<b>Equity and Liabilities</b>			
<b>Shareholders' Funds</b>			
Share capital	2	13,457,520	13,457,520
Reserves and surplus	3	(3,487,387)	41,754,209
<b>Non-current Liabilities</b>			
Long term borrowings	4	44,260,591	7,119,338
Other Long term Liabilities		-	-
Long term provisions	5	7,738,719	7,285,655
<b>Current Liabilities</b>			
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	-	-
		<b>129,659,647</b>	<b>147,186,938</b>
<b>Assets</b>			
<b>Non-current Assets</b>			
<b>Fixed assets</b>			
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
<b>Current Assets</b>			
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
		<b>129,659,647</b>	<b>147,186,938</b>
<b>Significant accounting policies</b>	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

**M. Guru Prasad**

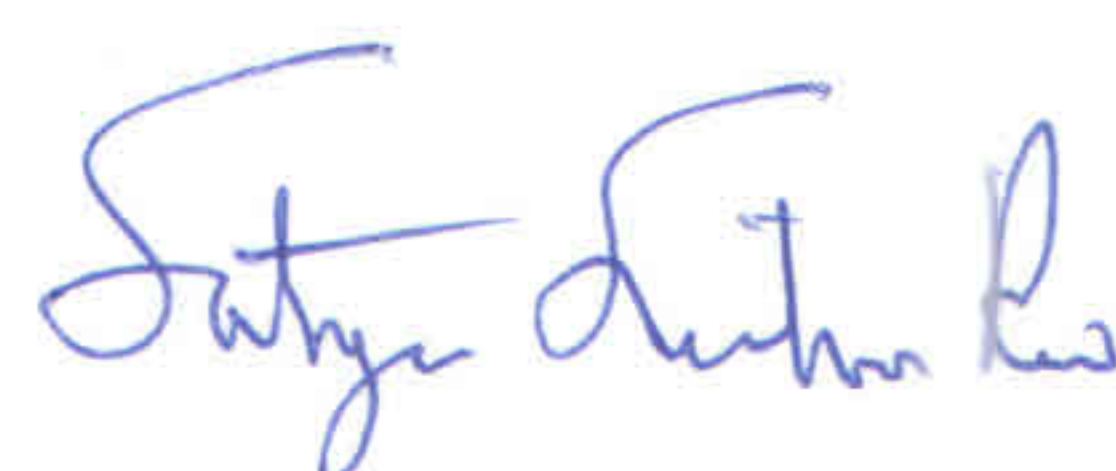
Partner

Membership No: 200714



Place: Bengaluru

Date: September 18, 2018

**For and on behalf of the Board of Directors****For Axiom Consulting Limited****Satya Simha Rao**

Chairman &amp; Managing Director

DIN: 00350297

**Giridhar Lakshminaraya**

Wholetime Director

DIN:01553968



**AXIOM CONSULTING LIMITED***(Formerly known as Axiom Consulting Private Limited)***CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH 2018**

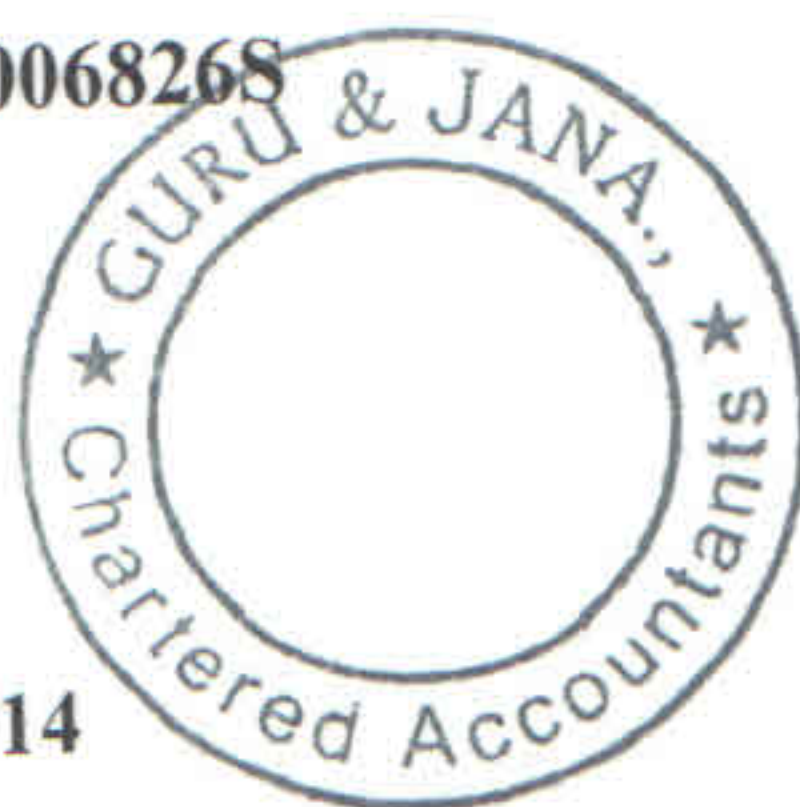
Particulars	Note	April to Mar-18	April to Mar-17
<b>Income</b>			
Revenue from operations	18	253,414,561	321,588,279
Other income	19	7,248,444	8,406,309
		<b>260,663,005</b>	<b>329,994,588</b>
<b>Expenses</b>			
Employee benefits expenses	20	215,133,165	226,684,493
Other expenses	21	67,268,640	102,260,090
		<b>282,401,805</b>	<b>328,944,583</b>
<b>Earnings before interest, tax, depreciation and amortization (EBITDA)</b>		(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
		<b>(55,532,602)</b>	<b>(25,520,490)</b>
<b>Profit before tax</b>			
<b>Tax expenses</b>			
Current tax		117,301	211,369
MAT credit		-	-
Deferred tax charge/ (credit)		(13,713,176)	(8,484,654)
		<b>(41,936,727)</b>	<b>(17,247,205)</b>
<b>Profit after tax</b>			
<b>Earnings Per Share (par value Equity Shares of Rs.10 each)</b>			
<b>Basic &amp; Diluted</b>			
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.0068268

M. Guru Prasad  
Partner  
Membership No: 200714



Place: Bengaluru  
Date: September 18, 2018

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

*Satya Simha Rao*  
Satya Simha Rao  
Chairman & Managing Director  
DIN: 00350297

*Giridhar Lakshminaray*  
Giridhar Lakshminaray  
Wholetime Director  
DIN:01553968



**AXIOM CONSULTING LIMITED***(Formerly known as Axiom Consulting Private Limited)***CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2018**

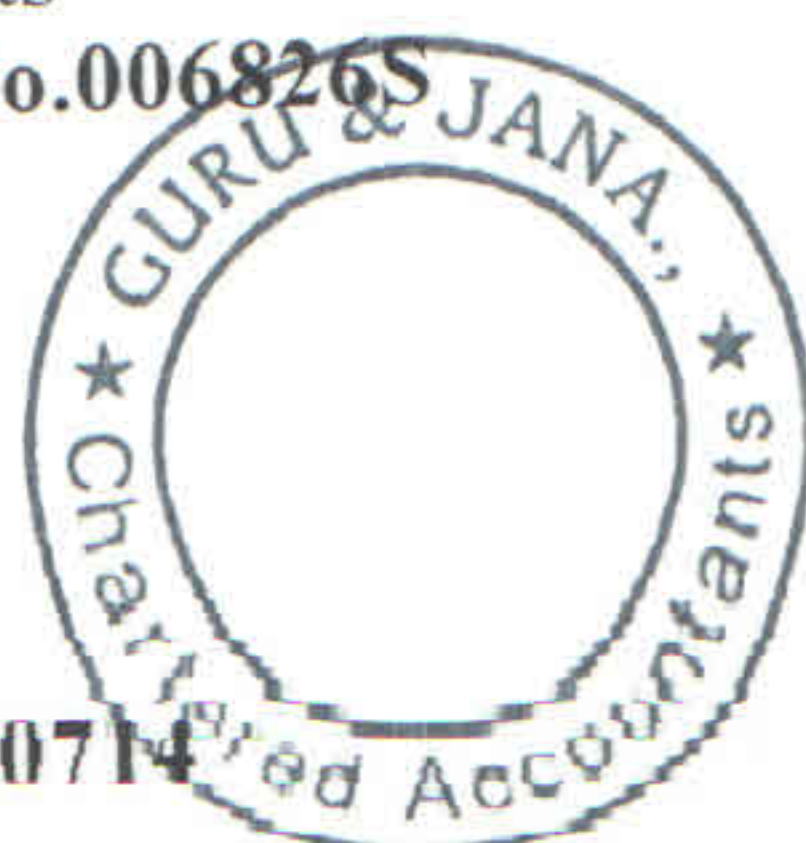
Particulars	3/31/2018	3/31/2017
<b>Cash Flow from Operating Activities</b>	(55,532,602)	(25,520,490)
Net profit before tax		
Adjustments for:	117,301	-
Net Income tax for current period	20,932,663	20,541,964
Depreciation	2,701,591	-
Forex loss or gain on conversion	(2,929,370)	-
Dividend income	11,430,774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

  
M. Guru Prasad  
Partner  
Membership No: 200714



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

  
Satya Simha Rao  
Chairman & Managing Director  
DIN: 00350297



Giridhar Lakshminarayan  
Wholtime Director  
DIN:01553968

Place: Bengaluru  
Date: September 18, 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)

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)

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%

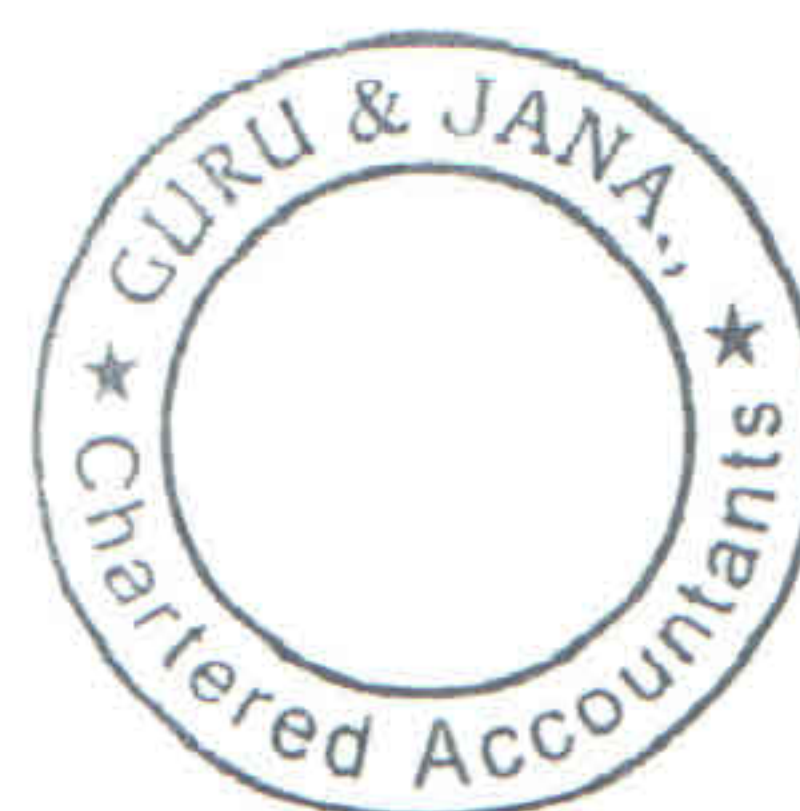
As per records of the Company, including its register of shareholders/ members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownership of shares.

**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

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**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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**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.

**Other Long Term Liabilities**

Inter Company payables

-	-
-	-
3/31/2018	Total

**Note 5 : Long-term provisions****Provision for Employee Benefits:**

Provision for Gratuity  
Provision for Leave Encashment

5,668,790	4,685,948
2,069,929	2,599,707
7,738,719	7,285,655

**Note 6 : Short term borrowings**

Indian Rupee Overdraft loan - Secured  
Loan from Related Parties (Directors)  
Indian Rupee Overdraft loan - Unsecured

9,240,248	15,129,834
7,350,000	648,386
-	-
16,590,248	15,778,220
3/31/2017	Total

**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**

Trade payables

3/31/2018	3/31/2017
20,650,537	14,651,735
20,650,537	14,651,735

**Note 8 : Other current liabilities**

Statutory liabilities  
Payable to employees  
Current maturities of long term borrowings (Note 4)  
Interest accrued but not due on Term Loan  
Other payables  
Deferred rent liability  
Deferred revenue

3/31/2018	3/31/2017
3,097,485	3,355,323
6,986,432	6,399,898
7,084,640	12,690,245
91,601	11,936
11,321,553	17,445,166
313,122	2,494,341
823,351	3,969,336
29,718,184	46,366,246

**Note 9 : Short term provisions**

Provision for income tax (net of advance taxes)  
Provision for gratuity  
Provision for leave encashment

3/31/2018	3/31/2017
186,803	202,466
365,306	354,481
179,125	217,068
731,234	774,015

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**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
<b>Note 10 : Deferred tax liability/Asset (Net)</b>	<b>3/31/2018</b>	<b>3/31/2017</b>
<b>Deferred tax liability</b>		
Fixed assets	970,798	2,873,943
Deferred rent liability	-	879,276
Accelerated depreciation	-	262,402
Charitable contribution carry forward	-	24,963
	<b>970,798</b>	<b>4,040,584</b>
<b>Deferred tax asset</b>		
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)
	<b>13,532,855</b>	<b>(1,893,271)</b>
	<b>12,562,057</b>	<b>5,933,854</b>
<b>Note 13 : Long term loans and advances</b> <i>(Unsecured, considered good unless stated otherwise)</i>		
Security Deposits	21,500	21,500
	<b>21,500</b>	<b>21,500</b>
<b>Note 14 : Trade receivables</b> <i>(Unsecured, considered good unless stated otherwise)</i>		
Outstanding for more than 6 months *	917,494	7,975,367
Outstanding less than 6 months **	53,097,580	55,322,014
	<b>54,015,074</b>	<b>63,297,381</b>
* 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		
<b>Note 15 : Cash and cash equivalents</b>		
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
	<b>3,571,797</b>	<b>8,421,155</b>
<b>Note 16 : Short term loans and advances</b> <i>(Unsecured, considered good unless stated otherwise)</i>		
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
	<b>26,145,968</b>	<b>15,042,961</b>

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**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
<b>Note 17 : Other Current Assets</b>		
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	1,597,064	1,597,064
MAT Credit	<u>4,528,967</u>	<u>5,419,289</u>

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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

Property, Plant and Equipments												
Changes in the carrying value of tangible assets for the year ended 31st March 2018												
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	-	-	-	-	-	-	-	-	-	-	-	-
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

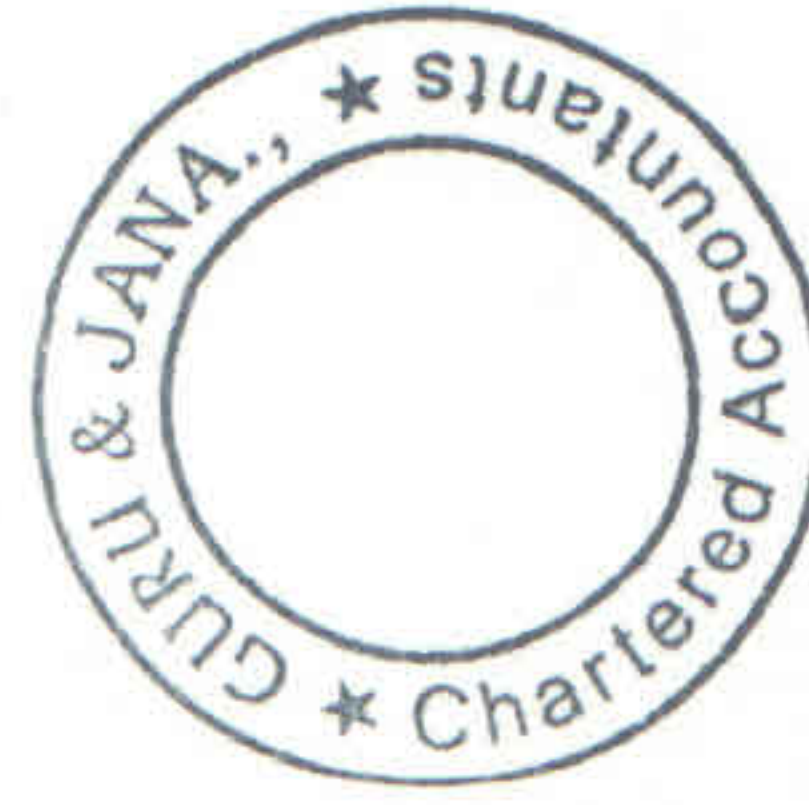
Changes in the carrying value of intangible assets for the year ended 31st March 2018												
Particulars	GROSS BLOCK				AMORTISATION					NET BLOCK		
	As at 1-4-2017	Additions	Deletions	As at 31-03-2018	Upto 1-4-2017	For the year	Impairment	Adjustment	Deletion	Total upto 31-03-2018	As at 31-03-2018	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

Changes in the carrying value of intangible assets for the year ended 31st March 2018												
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

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**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
<b>Note 18 : Revenue from operations</b>		
Income from research, design & product development services	253,414,561	321,588,279
	<b>253,414,561</b>	<b>321,588,279</b>
<b>Note 19 : Other income</b>		
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
	<b>7,248,443</b>	<b>8,406,309</b>
<b>Note 20 : Employee benefits expenses</b>		
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
	<b>215,133,166</b>	<b>226,684,493</b>
<b>Note 21 : Other expenses</b>		
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
	<b>67,268,638</b>	<b>102,260,090</b>
<b>Note 22 : Finance cost</b>		
Interest	11,184,366	2,588,481
Lease finance charges	246,408	265,947
Bank charges	1,430,364	3,174,103
	<b>12,861,138</b>	<b>6,028,531</b>
<b>Note 23 : Depreciation &amp; Amortization</b>		
Depreciation	7,937,343	7,607,529
Amortization	12,995,321	12,934,435
	<b>20,932,664</b>	<b>20,541,964</b>

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# AXIOM CONSULTING LIMITED

(Formerly known as Axiom Consulting Private Limited)

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

### 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.

- Revenue from time and material contracts is recognised as the related services are performed.
- Revenue from fixed price contracts is recognised as the related services are performed by applying the percentage of completion method.
- 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.
- 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.
- Billing in excess of revenue recognized is classified as Deferred Revenue and revenue recognized in excess of billing is classified as Unbilled Revenue.

### 4 Tangible assets and depreciation

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.

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# AXIOM CONSULTING LIMITED

(Formerly known as Axiom Consulting Private Limited)

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

## Significant Accounting Policies

### 5 Intangible assets and amortisation

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

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

### 6 Impairment

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

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

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

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

### 7 Investments

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

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

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

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

### 8 Employee benefits

#### a. Defined Contribution Plans

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

#### b. Defined Benefit Plans

##### Gratuity

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

##### Compensated Absences

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

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# AXIOM CONSULTING LIMITED

(Formerly known as Axiom Consulting Private Limited)

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

## Significant Accounting Policies

### 9 Sweat Equity Shares

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

### 10 Borrowing Costs

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

### 11 Provisions and contingencies

A provision is recognised when an enterprise has a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to their present value and are determined based on management estimates required to settle the obligation at the reporting date. These are reviewed at each reporting date and adjusted to reflect the current management estimates.

### 12 Foreign currency transactions

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

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

The assets and liabilities of non-integral foreign operations are translated into the reporting currency at the exchange rate prevailing at the reporting date and their Statement of Profit and Loss are translated at exchange rates prevailing at the dates of transaction or 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.

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# 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
<b>Earnings Per Share</b>		
- 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.

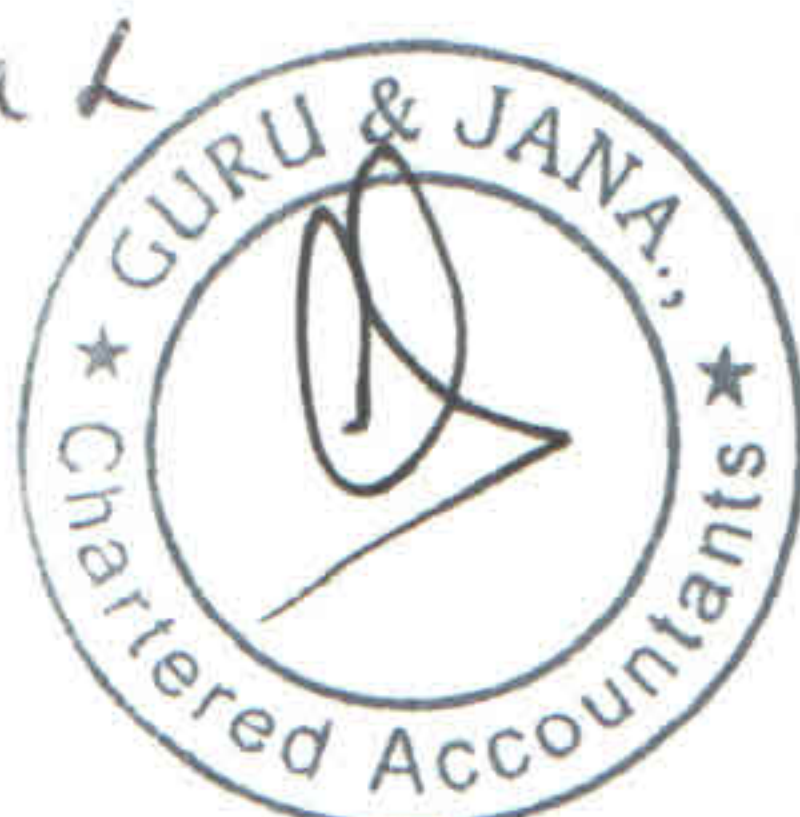
Particulars	2018	2017	2016	2015	2014
Amounts for the current year and previous years are as follows:					
Experience adjustment					
Defined Benefit obligation	6,034,096	5,040,429	5,653,328	4,281,137	3,418,497
Surplus / (Deficit)	(6,034,096)	(5,040,429)	(5,653,328)	(4,281,137)	(3,418,497)

### 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

Giridhar L



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

Notes to Consolidated 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)**

Net Profit / ( Loss) for Calculation of Basic and Diluted EPS

Weighted Average no of shares outstanding during the year

Weighted Average no of shares used to compute diluted EPS

Earnings Per Share

- Basic

- Diluted

(41,936,727)	26,594,468
1,345,752	1345752
1,345,752	1345752
(31.16)	19.76
(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
Past Service cost	-	-	1,582,758	-
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	1,730,961	777,524

**Balance Sheet**

Defined benefit obligation  
Plan (asset)/ liability

	2018	2017	2018	2017
	Compensated absences		Gratuity	
	2,249,054	2,816,775	6,034,096	5,040,429
	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

Interest cost

Past service cost

Current service cost

Benefits paid

Actuarial (gains)/losses on obligation

Closing defined benefit obligation

2,816,775	3,752,342	5,040,429	5,653,328
208,293	292,474	372,727	440,646
225,305	207,533	1,582,758	459,703
(617,975)	(1,743,990)	(737,294)	(1,390,423)
(383,344)	308,416	(558,122)	(122,825)
2,249,054	2,816,775	6,034,096	5,040,429

**Investment details of plan assets (Not externally funded)**

**The principal assumptions used in determining gratuity obligation**

Discount rate

Increase in compensation cost

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

Amounts for the current year and previous years are as follows:

Experience adjustment

Defined Benefit obligation

Surplus / (Deficit)

	2018	2017	2016	2015	2014
	6,034,096	5,040,429	5,653,328	4,281,137	3,418,497
	(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

Giridhar L

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**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**

Satya Simha Rao  
Giridhar L

At start of the year	Payable	Paid	Balance payable
316,950	1,229,190	1,054,464	491,676
316,950	1,183,190	790,226	709,914

**II. Loan from Directors**

Satya Simha Rao  
Giridhar L

Opening balance	Received during the year	Repaid during the year	Closing Balance payable
-	4,350,000	125,000	4,225,000
-	3,000,000	-	3,000,000

**III. Other transactions**

Giridhar L

Opening balance	Other payables	Payment made	Closing Balance payable
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**

Statutory & Tax audit fee  
Certification charges  
Taxation services  
Other Services  
**Total**

2018	2017
200,000	245,830
49,000	39,000
227,996	300,000
526,813	261,167
<b>1,003,809</b>	<b>845,997</b>

**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:

Salaries  
Travelling & conveyance  
Professional charges  
**Total**

2018	2017
-	7,628,782
-	-
-	-
-	<b>7,628,782</b>

**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

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

M. Guru Prasad  
Partner  
Membership No: 200714



Satya Simha Rao  
Chairman & Managing Director  
DIN: 00350297

Giridhar Lakshminarayan  
Wholtime Director  
DIN:01553968

Place: Bengaluru  
Date: September 18, 2018



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