

AXIOM CONSULTING LIMITED

**Statutory Audit Report
For the year 2017-18**

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.

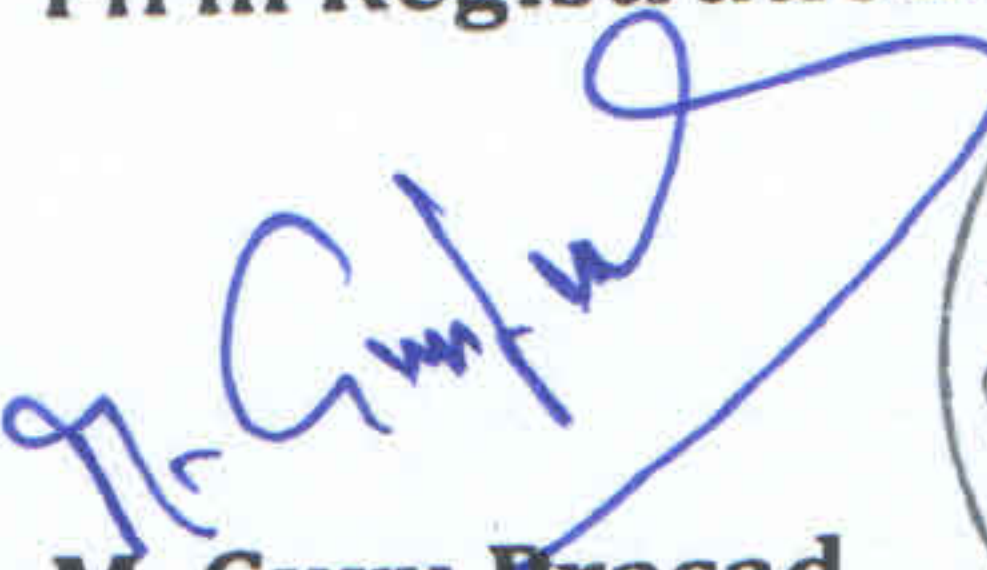


- d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- e) On the basis of the written representations received from the directors as on 31st March 2018 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:
- The Company has no pending litigations on its financial position in its financial statements other than those disclosed.
 - The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - 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


M. Guru Prasad

Partner

Membership No: 200714



Place: Bengaluru

Date: 18 September 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


M. Guru Prasad

Partner

Membership No: 200714



Place : Bengaluru

Date : 18 September 2018

AXIOM CONSULTING LIMITED

(Formerly known as Axiom Consulting Private Limited)

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

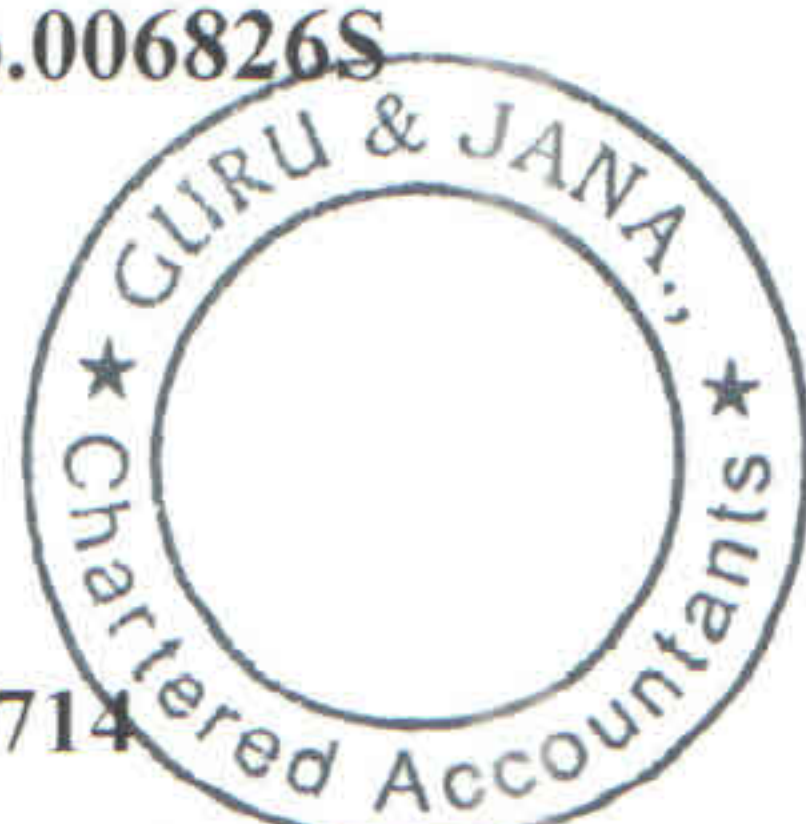
Chartered Accountants

Firm Registration No.006826S

M. Guru Prasad

Partner

Membership No: 200714

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

Satya Simha Rao

Chairman & Managing Director

DIN: 00350297

Giridhar Lakshminaray

Wholetime Director

DIN:01553968

Place: Bengaluru

Date: September 18, 2018

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

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

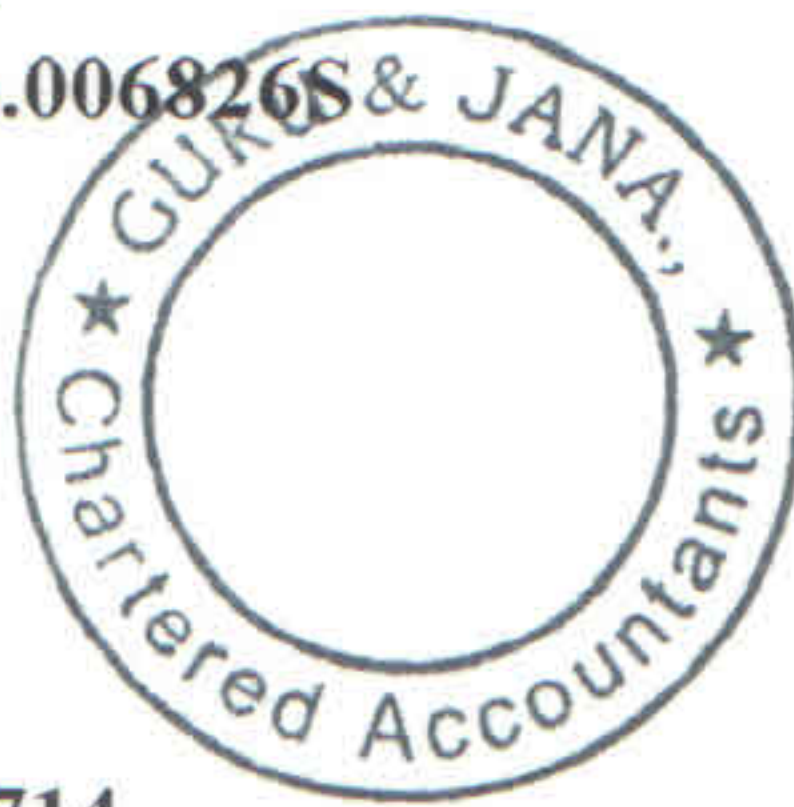
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As per our report of even date

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Chartered Accountants
Firm Registration No.006826S

M. Guru Prasad
Partner
Membership No: 200714



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

Satya Simha Rao
Chairman & Managing Director
DIN: 00350297

Giridhar Lakshminarayan
Wholetime Director
DIN:01553968

Place: Bengaluru
Date: September 18, 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)
Dividend 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



M. Guru Prasad
Partner

Membership No: 200714

Place: Bengaluru
Date: September 18, 2018

For and on behalf of the Board of Directors of

For Axiom Consulting Limited

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

Notes to 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 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.

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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

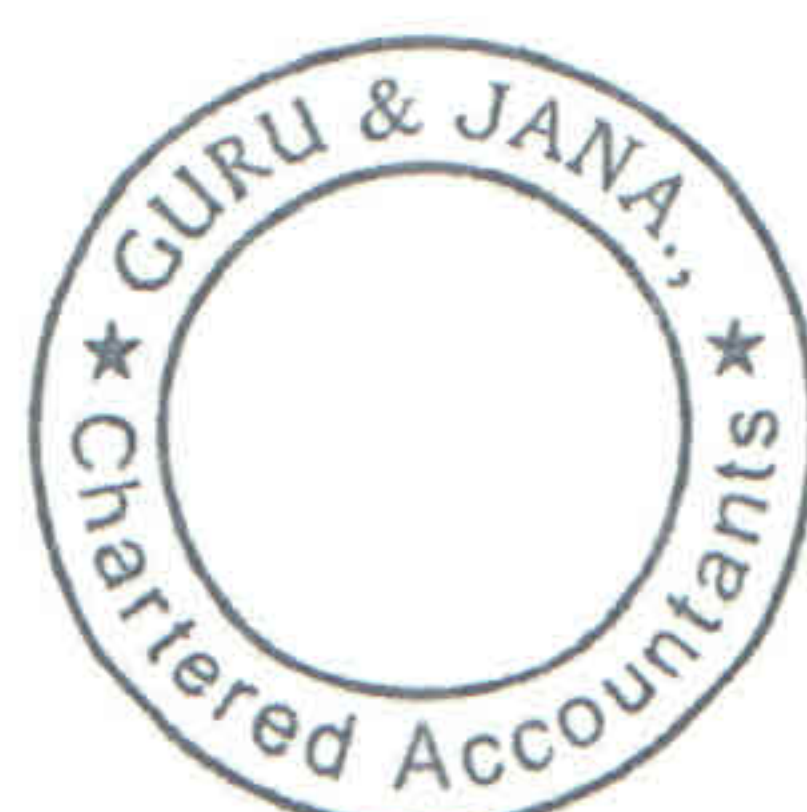
The carrying amounts of tangible assets and intangible assets are reviewed at each reporting date to determine if there is any indication of impairment of assets and the asset's recoverable amount is estimated. An impairment loss is recognised if the carrying amount of an asset exceeds its recoverable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

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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.

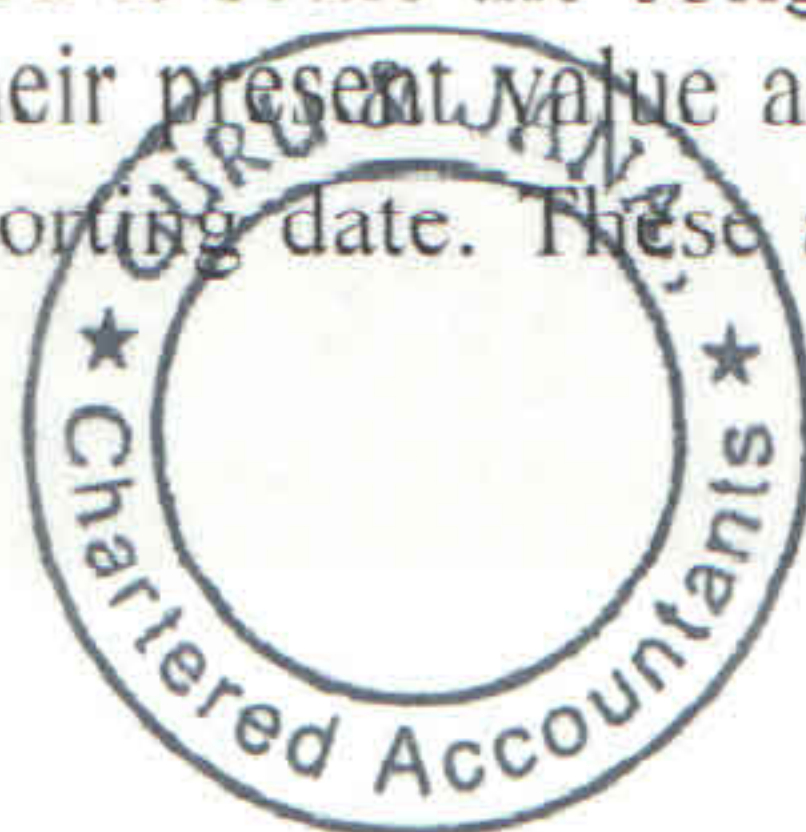
10 Borrowing Costs

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.

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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.

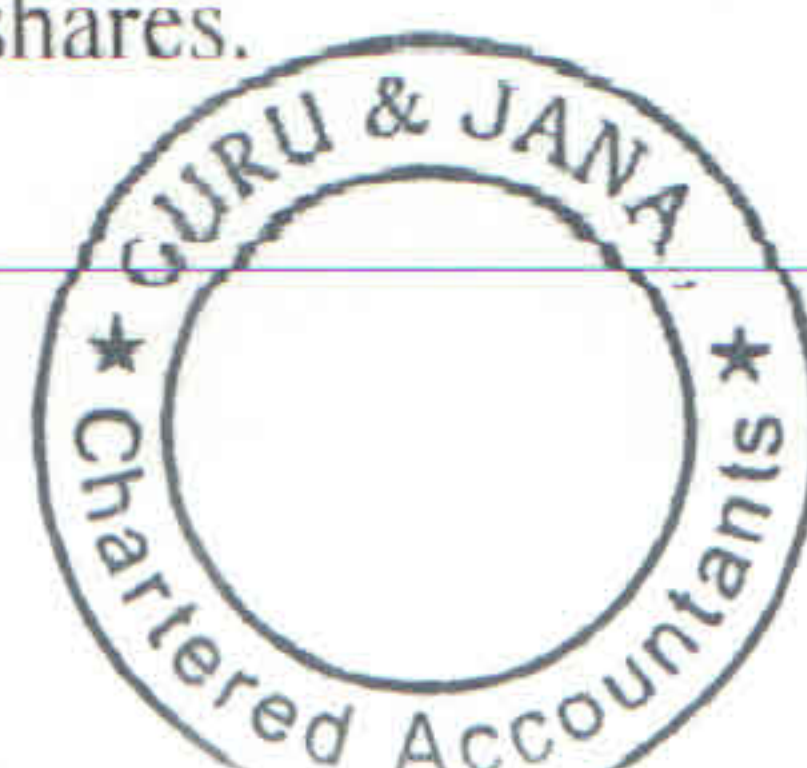
Minimum Alternative Tax ('MAT') under the provisions of the Income-Tax Act, 1961 is recognised as part of current tax in the Statement of Profit and Loss. The credit available as per provisions of the Act in respect of MAT paid is recognised as an asset only when and to the extent there is convincing 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.

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AXIOM CONSULTING LIMITED

(Formerly known as Axiom Consulting Private Limited)

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
Atya 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

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

	(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 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.

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

(Amounts in Rupees)

	2018	2017
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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.

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
	<u>7,738,719</u>	<u>7,285,655</u>

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	-
	<u>16,590,248</u>	<u>8,996,201</u>

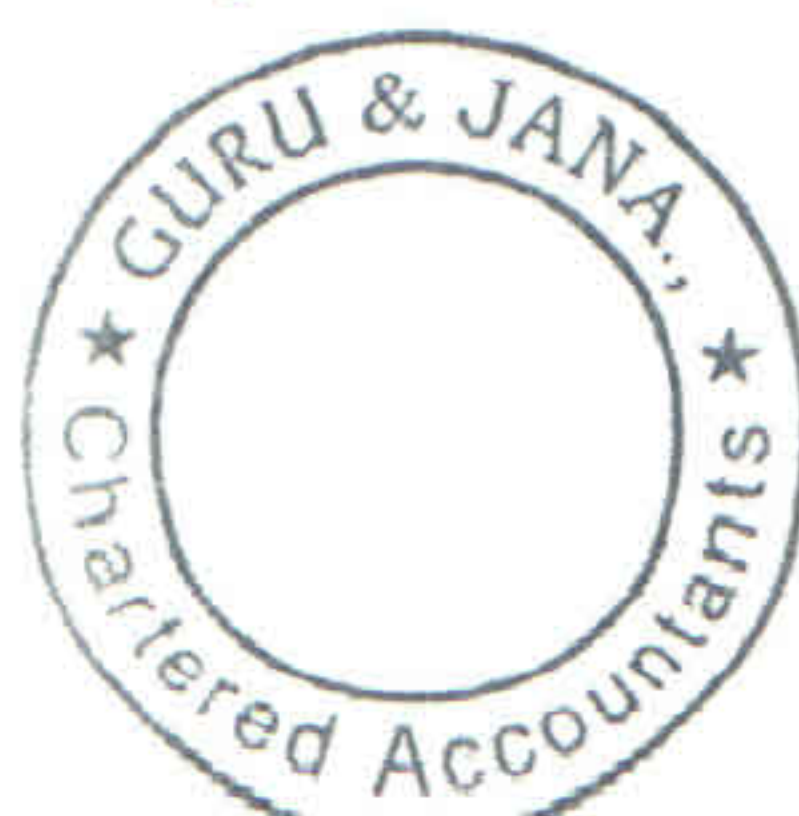
Secured loans consist of the following from Kotak Mahindra Bank Ltd.:

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 .

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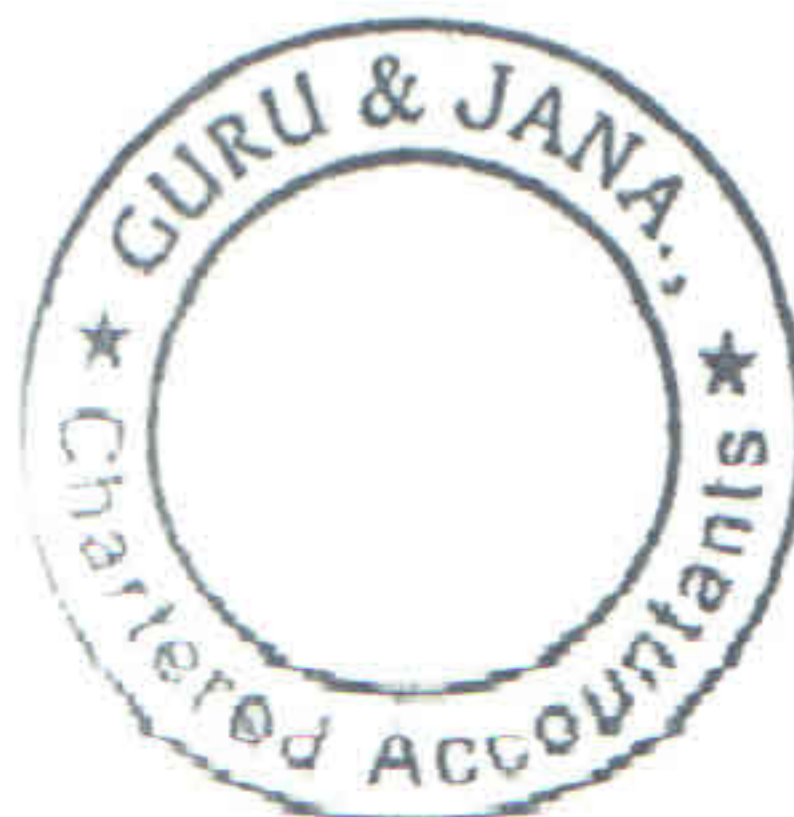
(Formerly known as Axiom Consulting Private Limited)

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

(Amounts in Rupees)

	2018	2017
Note 7 : Trade payables		
Trade payables	12,205,727	10,030,347
	<u>12,205,727</u>	<u>10,030,347</u>
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
	<u>14,319,791</u>	<u>23,226,840</u>
Note 9 : Short term provisions		
Provision for Gratuity	365,306	354,481
Provision for Compensated absences	179,125	217,068
	<u>544,431</u>	<u>571,549</u>
Note 10 : Deferred tax liability (Net)		
Deferred tax liability		
Fixed assets	970,798	3,625,219
Gross deferred tax liability	<u>970,798</u>	<u>3,625,219</u>
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	<u>4,008,317</u>	<u>2,101,986</u>
	<u>3,037,519</u>	<u>1,523,234</u>
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		
	<u>3,438,293</u>	<u>3,438,293</u>

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

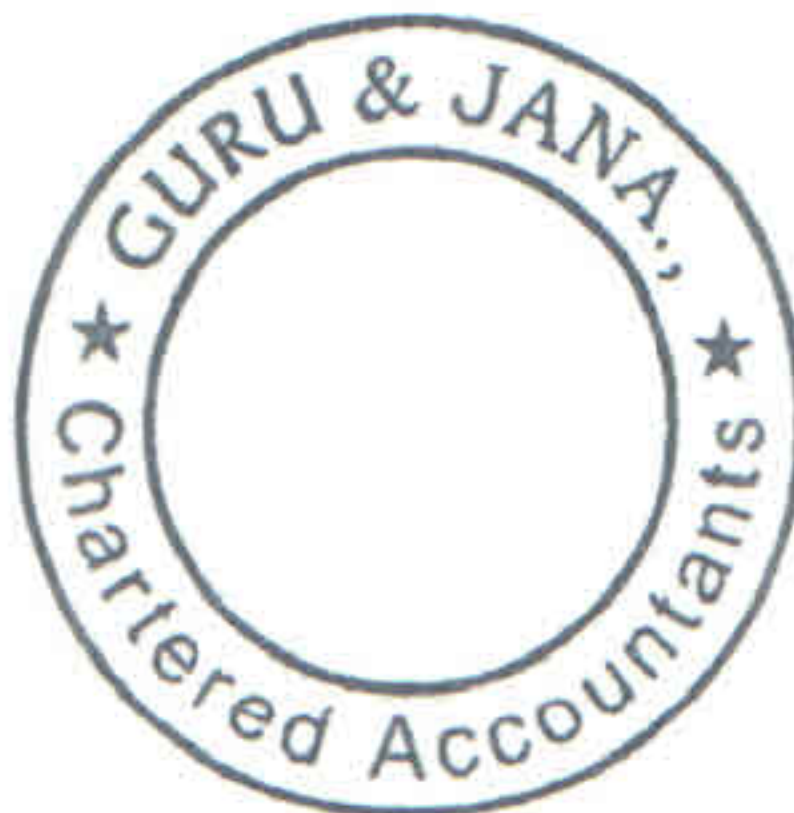
(Amounts in Rupees)

	2018	2017
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

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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

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	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

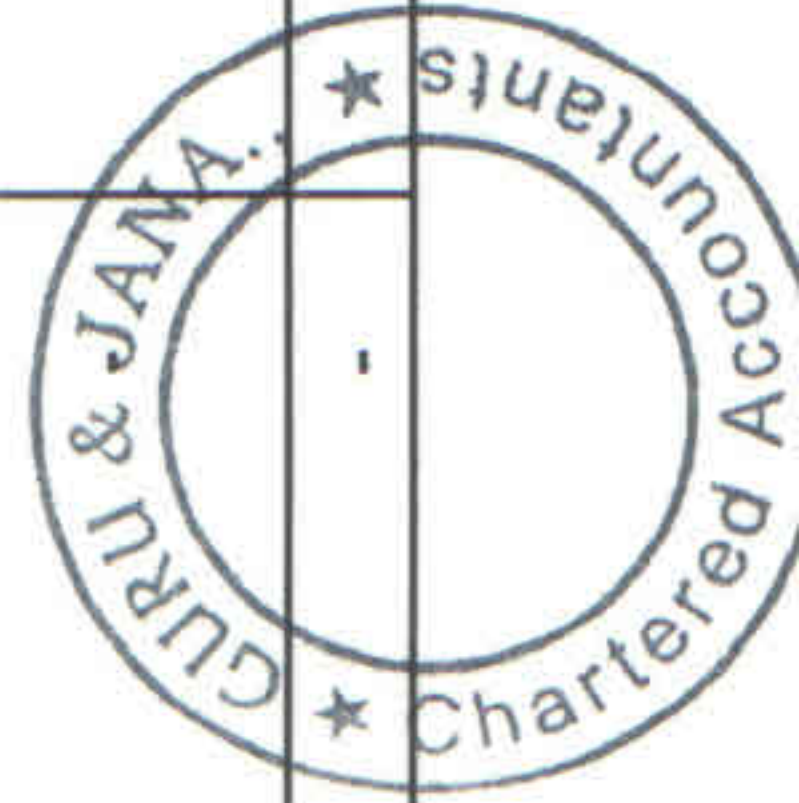
Changes in the carrying value of tangible assets for the year ended 31st March 2017

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	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

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	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

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

Particulars	GROSS BLOCK				AMORTISATION			(Amounts in Rupees)	
	As at 1-4-2016	Additions	Deletions	As at 31-03-2017	Upto 1-4-2016	For the year	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

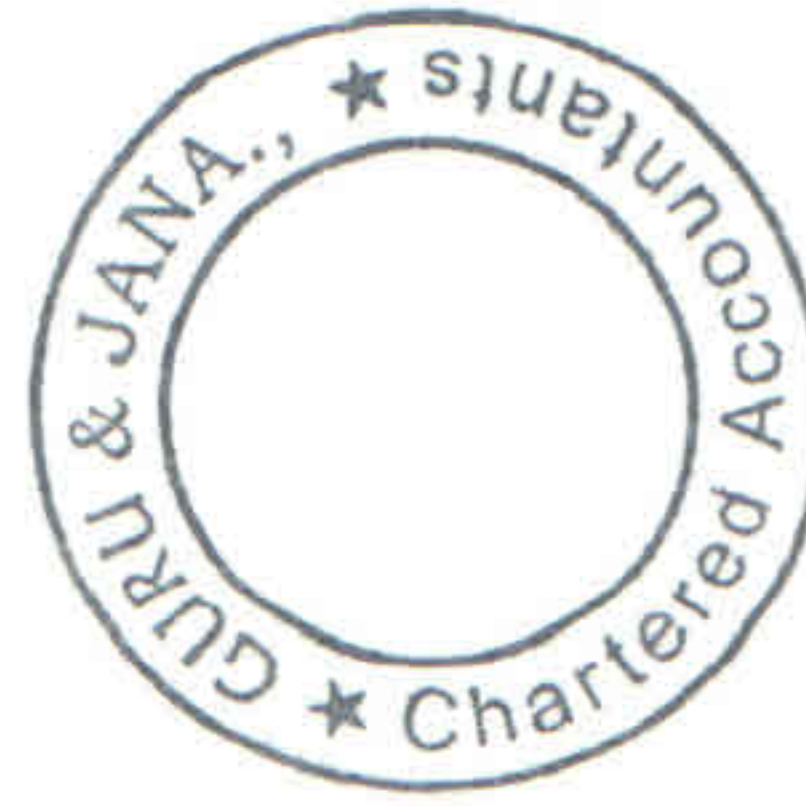
Intangible assets under development

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

Particulars	GROSS BLOCK				AMORTISATION			(Amounts in Rupees)	
	As at 1-4-2017	Additions	Deletions	As at 31-03-2018	Upto 1-4-2017	For the year	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

Particulars	GROSS BLOCK				AMORTISATION			(Amounts in Rupees)	
	As at 1-4-2016	Additions	Deletions	As at 31-03-2017	Upto 1-4-2016	For the year	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



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AXIOM CONSULTING LIMITED

(Formerly known as Axiom Consulting Private Limited)

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
	<u>59,308,618</u>	<u>86,373,980</u>
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	-
	<u>12,127,540</u>	<u>10,594,234</u>
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
	<u>45,426,160</u>	<u>57,626,102</u>
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
	<u>20,963,315</u>	<u>28,759,326</u>
Note 23 : Finance cost		
Interest on loans	2,881,147	2,187,426
Bank charges	677,689	335,856
	<u>3,558,836</u>	<u>2,523,282</u>
Note 24 : Depreciation & Amortization		
Depreciation	5,428,304	2,063,435
Amortization	8,438,489	12,934,435
	<u>13,866,793</u>	<u>14,997,870</u>

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AXIOM CONSULTING LIMITED

(Formerly known as Axiom Consulting Private Limited)

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)

Earnings Per share (EPS)
Net Profit 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

2018

2017

(7,818,192)

(6,169,733)

1,345,752

1,345,752

1,345,752

1,345,752

(5.81)

(4.58)

(5.81)

(4.58)

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)
The principal assumptions used in determining gratuity obligation

	2018	2017
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)

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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)

Net Profit 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

	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
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

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

	2018	2017
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)

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

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)

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
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

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

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.

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

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)

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 MSMSED act, 2006	Nil	Nil
Auditors' remuneration		
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

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

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.

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.

Reconciliations & confirmations

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

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

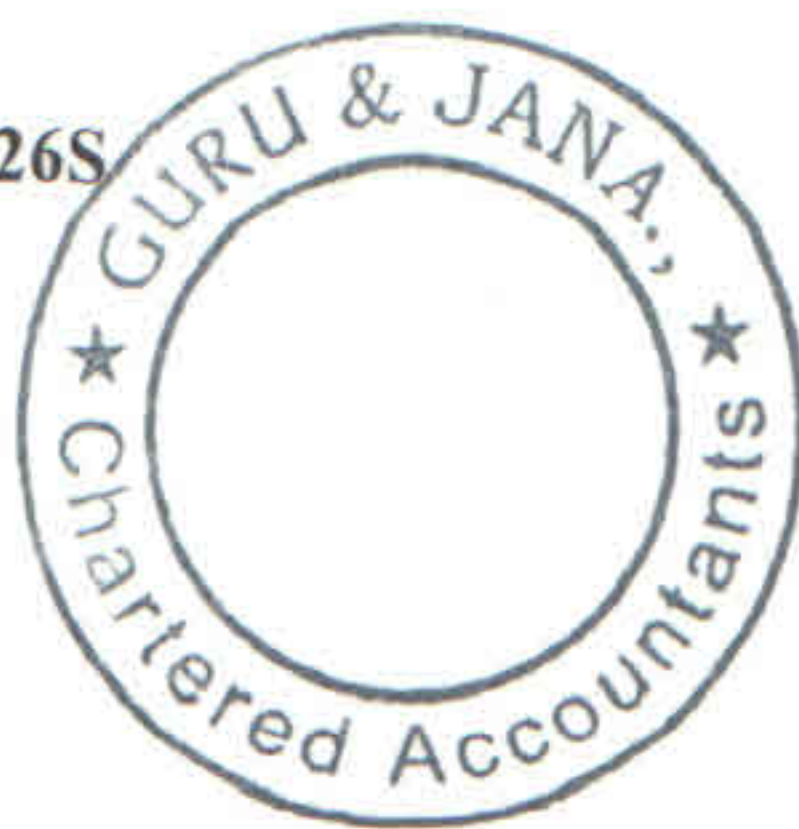

M. Guru Prasad

Partner

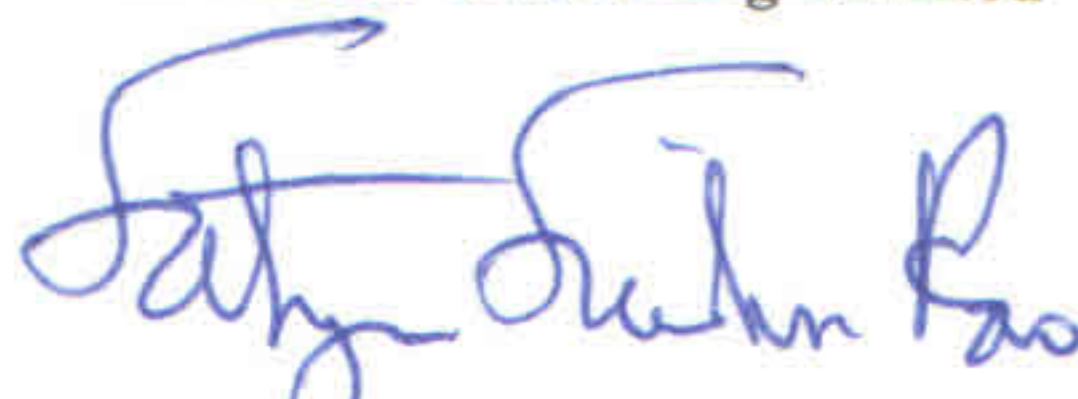
Membership No: 200714

Place: Bengaluru

Date: September 18, 2018



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



Satya Simha Rao
Chairman & Managing Director
DIN: 00350297



Giridhar Lakshminarayan
Wholetime Director
DIN:01553968