

Director's Report

To The Members  
Cades Technology Canada Inc.

Your Directors are pleased to present their report on the business operation of the company for the period from 01<sup>st</sup> April 2014 to 31<sup>st</sup> March 15 and subsequent events to date. While audit is not mandated in Canada for small enterprises, however **Cades Technology Canada Inc.** has got its accounts audited by GD& Associates, Chartered Accountants, Bengaluru, India, for the purpose of publishing the Audited accounts of its parent company AXISCADES Engineering Technologies Limited (formerly Axis-IT&T Limited) in accordance with the statutory requirements in India.

1. Financial Results for 1<sup>st</sup> April, 2014 to 31<sup>st</sup> March, 2015

<b>PARTICULARS</b>	<b>FY 2014-15 (in CAD\$)</b>	<b>FY 2013-14(in CAD\$)</b>
<b>Income</b>	<b>6,379,248</b>	<b>3,358,065</b>
<b>Expenditures excluding Tax</b>	<b>4,857,006</b>	<b>2,598,407</b>
<b>Net Profit before Tax</b>	<b>1,522,242</b>	<b>759,658</b>
<b>Less Tax</b>	<b>418,053</b>	<b>207,161</b>
<b>Profit after Tax</b>	<b>1,104,189</b>	<b>552,497</b>

II. Business Activity

The Company is engaged in rendering engineering design service for the aerospace sector in Canada and has started operations in December 2010 and has shown considerable progress during the period. During the year, it has augmented its employee strength from 23 to 31 resulting in higher revenue and further consolidation of its presence with its customers.

III. Directors

Mr. S. Ravi Narayanan ceased to be the Directors, President-Secretary and Treasurer of the Company w.e.f. 7<sup>th</sup> August, 2014 and Mr. S. Valmeekanathan was appointed as Director w.e.f. 7<sup>th</sup> August 2014.

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Sreedhar Rao Ellentala  
Director

Date: May 18, 2015

Place: Bengaluru



## INDEPENDENT AUDITOR'S REPORT

### **Report on the Financial Statements**

We have examined the attached Balance Sheet of M/s. CADES TECHNOLOGY CANADA INC as at March 31, 2015 and the Profit and Loss Account for the year ended on March 31, 2015. These financial statements are the responsibility of the company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

### **Management's Responsibility for the Financial Statements**

The Company's Board of Directors is responsible for the matters in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance 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 the maintenance of adequate accounting records in accordance with the provision of the Act for safeguarding of the assets of the Company and for preventing and detecting the 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 internal financial control, 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.

### **Auditor's Responsibility**

Our responsibility is to express an opinion on these 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 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 that give true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by 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**

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid 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;

- a) In the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2015 and
- b) In the case of the Statement of Profit and Loss, of the profit for the year ended on that date;

### **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 purposes of our audit.
- b) In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books
- c) The Balance Sheet and the Statement of Profit and Loss dealt with by this Report are in agreement with the books of account.
- d) In our opinion, the aforesaid 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 written representations received from the directors as on 31 March, 2015, taken on record by the Board of Directors, none of the directors is disqualified as on 31 March, 2015, from being appointed as a director in terms of Section 164(2) of the Act.





- f) With respect to the other matters included in the Auditor's Report and to our best of our information and according to the explanations given to us:
- i. The Company does not have any pending litigations which would impact its financial position
  - ii. The Company did not have any long-term contracts including derivatives contracts for which there were any material foreseeable losses
  - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company



Place: Bangalore  
Date: May 18, 2015

**For G D & ASSOCIATES**  
**Chartered Accountants**  
**Firm Registration No - 011187S**

**DINESHA M S**  
**Partner.**  
**Membership No.215946**

## Balance Sheet

	NOTE	As at 31 March 2015 CAD \$	As at 31 March 2014 CAD \$
<b>EQUITY AND LIABILITIES</b>			
<b>SHAREHOLDERS' FUNDS</b>			
Share capital	2	100	100
Reserves and surplus	3	1,868,278	764,089
		<u>1,868,378</u>	<u>764,189</u>
<b>CURRENT LIABILITIES</b>			
Long-term borrowings		-	-
Long-term provisions		-	-
		<u>-</u>	<u>-</u>
<b>CURRENT LIABILITIES</b>			
Short-term borrowings		-	-
Trade payables	4	773,495	854,924
Other current liabilities	5	934,331	354,936
Short-term provisions	5	-	-
		<u>1,707,826</u>	<u>1,209,860</u>
<b>TOTAL</b>		<u><u>3,576,204</u></u>	<u><u>1,974,049</u></u>
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
Fixed assets			
Tangible assets		-	-
Intangible assets		-	-
Non-current investments		-	-
Long-term loans and advances	8	273,339	749
		<u>273,339</u>	<u>749</u>
<b>CURRENT ASSETS</b>			
Trade receivables	6	829,469	1,760,387
Cash and bank balances	7	1,705,025	53,471
Short-term loans and advances	8	1,809	65,943
Other current assets	9	766,562	93,499
		<u>3,302,865</u>	<u>1,973,300</u>
<b>TOTAL</b>		<u><u>3,576,204</u></u>	<u><u>1,974,049</u></u>

Notes 1 to 17 form an integral part of these financial statements.

This is the Balance Sheet referred to in our report of even date.

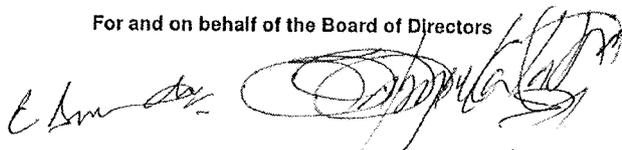
As per our report of even date  
for G D & ASSOCIATES  
Chartered Accountants



DINESHA M S  
Partner  
Membership No - 215946  
Bangalore  
18-May-15



For and on behalf of the Board of Directors



Sreedhar Rao Ellantala  
Director

New Delhi  
18-May-15

S. Valmeekanathan  
Director

New Delhi  
18-May-15

## Statement of Profit and Loss Account

	NOTE	Year Ended 31 March 2015 CAD \$	Year Ended 31 March 2014 CAD \$
<b>INCOME</b>			
Revenue from operations	10	6,379,248	3,350,035
Other income	11	-	8,030
<b>TOTAL</b>		<b>6,379,248</b>	<b>3,358,065</b>
<b>EXPENSES</b>			
Employee benefit expenses	12	2,051,811	1,437,928
Direct project expenses	13	2,680,006	944,667
Other expenses	13	125,189	215,812
<b>TOTAL</b>		<b>4,857,006</b>	<b>2,598,407</b>
<b>EARNINGS BEFORE INTEREST, TAX, DEPRECIATION AND AMORTISATION (EBITDA)</b>		<b>1,522,242</b>	<b>759,658</b>
Depreciation and amortisation expense	14	-	-
Finance costs	14	-	-
<b>PROFIT BEFORE TAX</b>		<b>1,522,242</b>	<b>759,658</b>
Tax expense			
Current tax		418,053	207,161
<b>PROFIT FOR THE YEAR</b>		<b>1,104,189</b>	<b>552,497</b>
<b>Earnings per equity share:</b>			
Face value of CAD \$ 1 each	15	11,041.89	5,524.97

Notes 1 to 17 form an integral part of these financial statements.

This is the statement of profit and loss referred to in our report of even date.

As per our report of even date  
for G D & ASSOCIATES  
Chartered Accountants

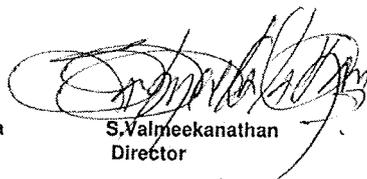
  
DINESHA M S  
Partner  
Membership No - 215946  
Bangalore  
18-May-15



For and on behalf of the Board of Directors

  
Sreedhar Rao Ellantala  
Director

New Delhi  
18-May-15

  
S. Valmeekanathan  
Director

New Delhi  
18-May-15

## Notes to the financial statements for the year ended 31 March 2015

### 1) SIGNIFICANT ACCOUNTING POLICIES

#### (a) Basis of preparation of financial statements

The financial statements have been prepared and presented under the historical cost convention on the accrual basis of accounting in accordance with the Generally Accepted Accounting Principles in India ('Indian GAAP') and comply with the mandatory Accounting Standards ('AS') and other pronouncements as issued by the Institute of Chartered Accountants of India ("ICAI"). The accounting policies applied by the Company are consistent with those used in the previous year unless otherwise stated.

Pursuant to the scheme of arrangement between Cades Digitech Private Limited (Erstwhile Holding Company), Axis-IT&T Limited (Axis) and its shareholders, and on receipt of approval from Hon'ble High Courts filed with Registrar of Companies on 24 March 2014, Cades has been merged into Axis. Due to this merger, the Company has now become a subsidiary of Axis. Name of Axis IT&T has been approved to be changed to AXISCADES Engineering Technology Limited w.e.f. 1st Aug 2014.

#### (b) Use of estimates

The preparation of financial statements is in conformity with generally accepted accounting principles, which requires the management of the Company to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and the results of operations during the reporting periods. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from those estimates. Significant estimates used by management in the preparation of these financial statements include the estimates of the economic useful lives of the fixed assets, provisions for bad and doubtful trade receivables, employee benefits, estimation of revenue and project completion. Any revision to accounting estimates are recognised prospectively.

#### (c) Revenue recognition

The Company derives its revenues primarily from engineering design services. Service income comprises of income from time-and-material and fixed-price contracts. Revenue from time-and-material contracts is recognised in accordance with the terms of the contracts with clients. Revenue from fixed-price contracts is recognised using the percentage of completion method, calculated as the proportion of the efforts incurred up to the reporting date to the estimated total efforts. Provisions for estimated losses on incomplete contracts are recorded in the period in which such losses become probable based on the current contract estimates.

'Unbilled revenues' represent revenues recognised on services rendered as per contractual terms, for which amounts are to be billed in subsequent periods. The related billings are expected to be performed as per milestones provided in the contracts.

'Unearned revenues' included in other liabilities represent billings in excess of revenues recognised. Advances received for services are reported as liabilities until all conditions for revenue recognition are met.

'Interest income' is recognised on a time proportion basis taking into account the amount outstanding and the applicable interest rate. Interest income is included under the head "other income" in the Statement of profit and loss.

#### (d) Fixed assets and depreciation/amortisation

Fixed assets are carried at the cost less accumulated depreciation/amortisation and impairment losses. The cost of fixed assets comprises of its purchase price and other costs attributable to bringing such assets to its working condition for its intended use. Advances paid towards the acquisition of fixed assets outstanding at each Balance Sheet date are disclosed as other non-current assets and the cost of fixed assets not ready for their intended use before such date are disclosed as capital work-in-progress.

Depreciation is provided under the straight-line method based on the estimated useful life of the assets. Depreciation is calculated on a pro-rata basis from the date of installation till the date the assets are sold or disposed.

Management's estimate of the useful lives for the various categories of fixed assets is as follows:

Asset category	Depreciation Rate
Computers	33.33%
Furniture and fixtures	14.29%
Office equipment's	14.29%
Leasehold improvements	period of lease
Software	33.33%

Depreciation/amortisation is charged on a proportionate basis for all the assets purchased and sold during the year. Fixed assets individually costing less than CAD \$ 100 are fully depreciated in the year of purchase.

Leasehold improvements have been depreciated over lease period including renewable period and subject to maximum useful economic life of 7 years.

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## Notes to the financial statements for the year ended 31 March 2015 (Contd)

### (e) Impairment of assets

The Company assesses at each Balance Sheet date whether there is any indication that an asset may be impaired. If any such indication exists, the Company estimates the recoverable amount of the asset. If such recoverable amount of the asset or the recoverable amount of the cash generating unit to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognised in the Statement of profit and loss. If at the Balance Sheet date there is an indication that if a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount subject to a maximum of depreciated historical cost.

### (f) Finance costs

Finance costs directly attributable to the acquisition, construction or production of qualifying assets are capitalised as part of assets. Other borrowings cost are recognised as an expense in the period in which they are incurred.

### (g) Investments

Investments that are readily realisable and intended to be held for not more than one year are classified as current investments. All other investments are classified as long-term investments. Current investments are carried at lower of cost and fair value determined on an individual investment basis. Long-term investments are carried at cost. However, provision for diminution in value is made to recognise a decline other than temporary in the value of the long-term investments.

### (h) Foreign currency transactions

#### *Initial recognition*

Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

#### *Conversion*

Monetary assets and liabilities related to foreign currency transactions remaining unsettled at the end of the year are translated at year-end rates. The difference in translation of monetary assets and liabilities and realised gains and losses on foreign exchange transactions are recognised in the Statement of profit and loss.

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.

Foreign currency transactions entered into by branches, which are integral foreign operations are accounted in the same manner as foreign currency transactions described above. Branch monetary assets and liabilities are restated at the year end rates.

### (i) Employee benefits

Expenses and liabilities in respect of employee benefits are recorded in accordance with Accounting Standard 15 Employee Benefits.

#### *Social security charges*

The Company contributes to social security charges for its employees. The plans are defined contribution plan and contributions paid or payable is recognised as an expense in these periods in which the employee renders services.



## Notes to financial statements for the year ended 31 March 2015 (Cont'd)

### (j) Income taxes

#### *Current tax*

Provision is made for income tax under the tax payable method, based on the liability computed, after taking credit for allowances and exemptions. Minimum Alternative Tax ("MAT") paid in accordance with the tax laws which gives rise to future economic benefits in the form of adjustments of future income tax liability, is considered as an asset if there is convincing evidence that the Company will pay normal tax. Accordingly, it is recognised as an asset in the Balance Sheet when it is probable that the future economic benefit associated with it will flow to the Company and the asset can be measured reliably. Tax expenses comprise both current and deferred taxes.

#### *Deferred tax*

Deferred tax charge or credit reflects the tax effect of timing differences between accounting income and taxable income for the period. The deferred tax charge or credit and the corresponding deferred tax liabilities or assets are recognised using the tax rates that have been enacted or substantively enacted by the Balance Sheet date. Deferred tax assets are recognised only to the extent there is reasonable certainty that the assets can be realised in future; however, where there is unabsorbed depreciation or carried forward loss under taxation laws, deferred tax assets are recognised only if there is a virtual certainty of realisation of such assets. Deferred tax assets are reviewed at each Balance Sheet date and written down or written-up to reflect the amount that is reasonably / virtually certain (as the case may be) to 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 such deferred tax assets can be realised.

### (k) Provisions and contingent liabilities

The Company creates a provision when there is a present obligation as a result of a past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of the obligation. A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. Where there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

### (l) Leases

Leases, where the lessor effectively retains substantially all the risks and benefits of ownership of the leased item, are classified as operating leases. Operating lease payments are recognized as an expense in the Statement of profit and loss on a straight-line basis over the lease term.

### (m) Earnings per Share

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders (after deducting preference dividends and attributable taxes) by the weighted average number of equity shares outstanding during the period. Partly paid equity shares are treated as a fraction of an equity share to the extent that they are entitled to participate in dividends relative to a fully paid equity share during the reporting period. The weighted average number of equity shares outstanding during the period is adjusted for events such as bonus issue, bonus element in a rights issue, share split, and reverse share split (consolidation of shares).

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.



**CADES Technology Canada Inc.**

**Notes to the financial statements for the year ended 31 March 2015 (contd.)**

	As at 31 March 2015		As at 31 March 2014	
	Number	CAD \$	Number	CAD \$
<b>2 SHARE CAPITAL</b>				
<b>Authorised</b>				
100 Class A shares of Canada\$ 1 per share	100	100	100	100
	<u>100</u>	<u>100</u>	<u>100</u>	<u>100</u>
<b>Issued, subscribed and paid up</b>				
100 Class A shares of Canada\$ 1 per share	100	100	100	100
	<u>100</u>	<u>100</u>	<u>100</u>	<u>100</u>

**a. Reconciliation of the equity share capital**

	As at 31 March 2015		As at 31 March 2014	
	Number	CAD \$	Number	CAD \$
Balance at the beginning of the year	100	100	100	100
Add : Issued during the year	-	-	-	-
<b>Balance at the end of the year</b>	<u>100</u>	<u>100</u>	<u>100</u>	<u>100</u>

**b. Terms and rights attached to equity shares**

The Company has only one class of equity shares having a par value of CAD\$ 1 per share. Each equity share is entitled to one vote per share.

The Company declares and pays dividends in CAD\$.

The dividend, if any, proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting. In the event of liquidation of the company, the shareholders 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 shareholders.

**c. Shares held by holding and intermediate holding companies**

	As at 31 March 2015		As at 31 March 2014	
	Number	CAD \$	Number	CAD \$
Holding Company - AXISCADES Engineering Technology Limited (refer Note 1(a))	100	100	100	100
	<u>100</u>	<u>100</u>	<u>100</u>	<u>100</u>

**d. Details of shareholders holding more than 5% shares in the company**

	As at 31 March 2015		As at 31 March 2014	
	Number	CAD \$	Number	CAD \$
(i) AXISCADES Engineering Technology Limited	100	100	100	100
	<u>100</u>	<u>100</u>	<u>100</u>	<u>100</u>

**3 RESERVES AND SURPLUS**

**Surplus in the statement of profit and loss**

	As at 31 March 2015 CAD \$	As at 31 March 2014 CAD \$
Balance at the beginning of the year	764,089	211,592
Add : Transferred from statement of profit and loss	1,104,189	552,497
<b>Balance at the end of the year</b>	<u>1,868,278</u>	<u>764,089</u>

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**GADES Technology Canada Inc.**

**Notes to the financial statements for the year ended 31 March 2015 (contd.)**

**4 TRADE PAYABLES**

	As at 31 March 2015 CAD \$	As at 31 March 2014 CAD \$
Dues to others	1,831	858
Dues to Holding Company	757,117	485,846
Accrued expenses	14,547	368,220
	<u>773,495</u>	<u>854,924</u>

**5 OTHER CURRENT LIABILITIES**

Duties and taxes payable	637,538	281,842
Dues to employees	82,992	72,539
Advances from customers	213,801	555
	<u>934,331</u>	<u>354,936</u>

**6 TRADE RECEIVABLES**

Considered good	829,469	1,760,387
	<u>829,469</u>	<u>1,760,387</u>

**7 CASH AND BANK BALANCES**

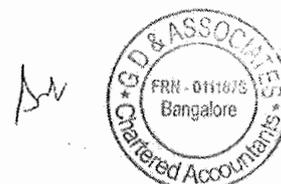
Cash and cash equivalents		
Cash on hand		
Balances with banks:		
- in current accounts	1,705,025	53,471
	<u>1,705,025</u>	<u>53,471</u>

**8 LOANS AND ADVANCES**

	As at 31 March 2015		As at 31 March 2014	
	Long term CAD \$	Short term CAD \$	Long term CAD \$	Short term CAD \$
<b>Security deposit</b>				
Unsecured, considered good	48,192	-	749	-
	<u>48,192</u>	<u>-</u>	<u>749</u>	<u>-</u>
<b>Other loans and advances</b>				
Unsecured, considered good				
Advance taxes	225,147	-	-	13,028
VAT input credit		1,105		1,323
Advances to employees	-	704	-	51,592
	<u>225,147</u>	<u>1,809</u>	<u>-</u>	<u>65,943</u>
	<u>273,339</u>	<u>1,809</u>	<u>749</u>	<u>65,943</u>

**9 OTHER CURRENT ASSETS**

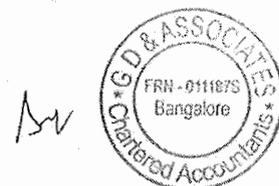
	As at 31 March 2015 CAD \$	As at 31 March 2014 CAD \$
Unbilled revenue	766,562	93,499
	<u>766,562</u>	<u>93,499</u>



**CADES Technology Canada Inc.**

**Notes to the financial statements for the year ended 31 March 2015 (contd.)**

	Year Ended 31 March 2015 CAD \$	Year Ended 31 March 2014 CAD \$
<b>10 REVENUE</b>		
Revenue from operations		
Engineering Design Services		
Export	6,379,248	3,350,035
Domestic		-
	<u>6,379,248</u>	<u>3,350,035</u>
<b>11 OTHER INCOME</b>		
Net gain on foreign currency transactions and translation	-	8,030
	<u>-</u>	<u>8,030</u>
<b>12 EMPLOYEE BENEFIT EXPENSES</b>		
Salaries, wages and bonus	1,866,606	1,305,952
Overseas employee benefits	180,866	131,212
Staff welfare expenses	4,339	764
	<u>2,051,811</u>	<u>1,437,928</u>
<b>13 OTHER EXPENSES</b>		
Rent	2,429	2,385
Direct project expenses	2,680,006	944,667
Travelling and conveyance	177,514	115,758
Repairs and maintenance		
-Buildings	664	9
-Others	-	300
Rates and taxes	334	6,048
Net loss on foreign currency transactions and translation	(170,357)	-
Communication expenses	2,794	727
Legal and professional charges	109,034	87,801
Advertisement and marketing	482	1,711
Printing and stationery	542	79
Processing fee and other bank charges	1,753	711
Postage and courier charges	-	283
	<u>2,805,195</u>	<u>1,160,479</u>
<b>14 FINANCE COSTS</b>		
Interest on loans		
- term loan	-	-
- working capital loan	-	-
others	-	-
Interest on other loans	-	-
Processing fee and other bank charges	-	-
	<u>-</u>	<u>-</u>
<b>15 EARNINGS PER SHARE (EPS)</b>		
a) Profit after tax attributable to equity shares (in CAD \$)	1,104,189	552,497
b) Weighted average number of shares outstanding	100	100
c) Nominal value of shares (in CAD \$)	1	1
d) Basic and diluted earning per share (in CAD \$)	11,041.89	5,524.97



Notes to the financial statements for the year ended 31 March 2015 (Cont'd)

16 RELATED PARTY DISCLOSURES

i. Parties where control exists :

Nature of relationship

Holding company information

Name of party

The Company is a subsidiary of AXISCADES Engineering Technologies Limited (ACETL, formerly Axis-IT&T Limited). ACETL is a subsidiary of Jupiter Capital Private Limited ('JCPL'). Tayana Digital Private Limited (TDPL) ceased to be the intermediate holding company w.e.f. 09 July 2014 and in turn AXISCADES Aerospace Technologies Limited (ACAT) also ceased to be the intermediate holding company.

ii. Transactions with related parties:

(Amount in CAD \$)

	Nature of transaction	Holding Company / Intermediate Holding Company		Total	
		31 March 2015	31 March 2014	31 March 2015	31 March 2014
		<b>A Direct project expenses</b>			
1	AXISCADES Engineering Technologies Ltd	2,680,006	857,847	2,680,006	857,847
<b>B Reimbursement of expenses</b>					
1	AXISCADES Engineering Technologies Ltd	190,306	164,772	190,306	164,772
2	Professional charges cross charged AXISCADES Engineering Technologies Ltd	87,692	76,934	87,692	76,934
3	Expenses paid AXISCADES Engineering Technologies Ltd	260,288	184,698	260,288	184,698

iii. Balances as at the year end

(Amount in CAD \$)

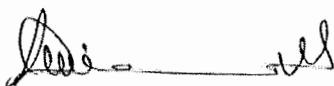
	Nature of Transaction	Holding Company / Intermediate Holding Company		Total	
		31 March 2015	31 March 2014	31 March 2015	31 March 2014
		<b>A Trade payables</b>			
1	AXISCADES Engineering Technologies Ltd	632,060	389,222	632,060	389,222
<b>B Travel expenses payable</b>					
1	AXISCADES Engineering Technologies Ltd	125,107	94,349	125,107	94,349

17 PREVIOUS YEAR FIGURES

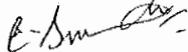
Previous year figures have been regrouped or reclassified wherever considered necessary to conform to current year classification.

As per our report of even date  
for G D & ASSOCIATES  
Chartered Accountants

For and on behalf of the Board of Directors

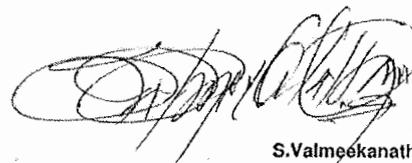


DINESHA M S  
Partner  
Membership No - 215946  
Bangalore  
18-May-15

Sreedhar Rao Ellantala  
Director

New Delhi  
18-May-15



S. Valmeekanathan  
Director

New Delhi  
18-May-15

## Balance Sheet

	As at 31 March 2015 CAD \$	As at 31 March 2015 INR	As at 31 March 2014 CAD \$	As at 31 March 2014 INR
<b>EQUITY AND LIABILITIES</b>				
<b>SHAREHOLDERS' FUNDS</b>				
Share capital	100	4,914	100	5,741
Reserves and surplus	1,868,278	91,808,414	764,089	43,866,349
	<b>1,868,378</b>	<b>91,813,328</b>	<b>764,189</b>	<b>43,872,090</b>
<b>CURRENT LIABILITIES</b>				
Long-term borrowings	-	-	-	-
Long-term provisions	-	-	-	-
	-	-	-	-
<b>CURRENT LIABILITIES</b>				
Short-term borrowings	-	-	-	-
Trade payables	773,495	38,010,055	854,924	49,081,244
Other current liabilities	934,331	45,913,642	354,936	20,376,818
Short-term provisions	-	-	-	-
	<b>1,707,826</b>	<b>83,923,697</b>	<b>1,209,860</b>	<b>69,458,063</b>
<b>TOTAL</b>	<b>3,576,204</b>	<b>175,737,025</b>	<b>1,974,049</b>	<b>113,330,153</b>
<b>ASSETS</b>				
<b>NON-CURRENT ASSETS</b>				
Fixed assets				
Tangible assets	-	-	-	-
Intangible assets	-	-	-	-
Non-current investments	-	-	-	-
Long-term loans and advances	273,339	13,432,059	749	43,000
	<b>273,339</b>	<b>13,432,059</b>	<b>749</b>	<b>43,000</b>
<b>CURRENT ASSETS</b>				
Trade receivables	829,469	40,760,654	1,760,387	101,063,818
Cash and bank balances	1,705,025	83,786,054	53,471	3,069,770
Short-term loans and advances	1,809	88,895	65,943	3,785,788
Other current assets	766,562	37,669,363	93,499	5,367,778
	<b>3,302,865</b>	<b>162,304,966</b>	<b>1,973,300</b>	<b>113,287,153</b>
<b>TOTAL</b>	<b>3,576,204</b>	<b>175,737,025</b>	<b>1,974,049</b>	<b>113,330,153</b>

## Statement of Profit and Loss Account

	Year Ended 31 March 2015 CAD \$	Year Ended 31 March 2015 INR	Year Ended 31 March 2014 CAD \$	Year Ended 31 March 2014 INR
<b>INCOME</b>				
Revenue from operations	6,379,248	313,480,457.02	3,350,035	181660907
Other income	-	-	8,030	435439
<b>TOTAL</b>	<b>6,379,248</b>	<b>313,480,457</b>	<b>3,358,065</b>	<b>182,096,347</b>
<b>EXPENSES</b>				
Employee benefit expenses	2,051,811	100,827,347	1,437,928	77973903
Direct project expenses	2,680,006	131,697,264	944,667	51226051
Other expenses	125,189	6,151,870	215,812	11702745
<b>TOTAL</b>	<b>4,857,006</b>	<b>238,676,480</b>	<b>2,598,407</b>	<b>140,902,699</b>
<b>EARNINGS BEFORE INTEREST, TAX, DEPRECIATION AND AMORTISATION (EBITDA)</b>	<b>1,522,242</b>	<b>74,803,977</b>	<b>759,658</b>	<b>41,193,648</b>
Depreciation and amortisation expense	-	-	-	-
Finance costs	-	-	-	-
<b>PROFIT BEFORE TAX</b>	<b>1,522,242</b>	<b>74,803,977</b>	<b>759,658</b>	<b>41,193,648</b>
<b>Tax expense</b>				
Current tax	418,053	20,543,400	207,161	11233630
<b>PROFIT FOR THE YEAR</b>	<b>1,104,189</b>	<b>54,260,577</b>	<b>552,497</b>	<b>29,960,017</b>
<b>Earnings per equity share:</b>				
Face value of CAD \$ 1 each)	11,041.89	542,605.76	5,524.97	299,600.17
Basic & diluted (in CAD \$)				