

Director's Report

To The Members

Your Directors are pleased to present their report on the business operations of the company for the period from 1st April 11 to 31st March 12 and subsequent events to date. While audit is not mandated in US for small enterprises, however Axis Inc. has got its accounts audited by Walker Chandiook & Co., Chartered Accountants, for the purpose of publishing the consolidated accounts of its parent company Axis IT&T in accordance with the statutory requirements in India.

I. Financial Results for 4/1/2011-3/31/2012 (in US\$)

	FY 2011-12	FY 2010-11
Total Income	24,034,383	14,781,049
Expenditures before I&D	22,544,992	14,530,318
Profit before I&D	1,489,391	250,731
Interest Expenses	48,101	14,566
Depreciation	55,341	27,880
Net Profit before Tax	1,385,948	208,285
Profit after Tax	863,129	164,695

II. Business Activity

a. Present

Despite the continued challenging economic climate in US, we registered a robust 62% revenue growth compared to last financial year. The achievement was driven by our customer focused strategic approach & differentiated offerings in our Practice Engagement areas. We strengthened and expanded our global relationship with Caterpillar with increased participation in their NPI/CPI and Manufacturing Engineering initiatives, and, together with Axis IT&T, have consolidated our position as their largest Global Engineering Services Supplier. We enhanced our services portfolio to include Advanced Value Engineering solutions and have been successful in achieving significant breakthroughs with new clients.

b. Future Challenges & Opportunities

While the growth of US economy is still muted with unfavorably high unemployment figures and cautious capital & discretionary spend, however, we will continue to build on our aggressive growth strategy with our existing customers while pursuing new ones. We would be intensifying our efforts to align and engage closely with all our clients to consolidate our footprint within their ecosystem across product groups, strategic programs and locations. For new business pursuit & acquisition, we are confident that

our investments towards domain and market engagement programs in Heavy Engineering, and Automotive & Industrial Products verticals would bear results in the coming quarters. In summary, we are poised for increased growth during 2012-13.

III. Directors

The Directors of the company currently are as follows:

1. S. Ravi Narayanan Director and Chairman
2. Rohit Chand Director
3. Suvra Basu Director
4. Kirit Manek Director

IV. Officers

1. S. Ravi Narayanan CEO
2. Suvra Basu President, Secretary and Treasurer
3. Murali Krishna SR. VP & COO

V. Subsidiary & Joint Ventures

Axis EU Ltd. is a wholly owned subsidiary of the Company which operates in the UK. The Annual Accounts and Director's Report of Axis EU, Ltd are attached.



Rohitasava Chand

Director

Date: 26-5-2012

Financial Statements and Auditors' Report

AXIS Inc.

31 March 2012

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Auditors' Report

To the Board of Directors of Axis Inc.

1. We have audited the attached Balance Sheet of Axis Inc. (the 'Company'), as at 31 March 2012, and also the Statement of Profit and Loss and the Cash Flow Statement for the year ended on that date annexed thereto (collectively referred as the 'financial statements'). 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.
2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. In our opinion and to the best of our information and according to the explanations given to us, the financial statements dealt with by this report comply with the accounting standards issued by the Institute of Chartered Accountants of India and give a true and fair view in conformity with the accounting principles generally accepted in India, in the case of:
 - i) the Balance Sheet, of the state of affairs of the Company as at 31 March 2012;
 - ii) the Statement of Profit and Loss, of the profit for the year ended on that date; and
 - iii) the Cash Flow Statement, of the cash flows for the year ended on that date.

Walker, Chandniok & Co
For Walker, Chandniok & Co

Chartered Accountants

Firm Registration No.: 001076N

per Anshish Arjun Singh
Partner

Membership No.: 210122



Noida

28 May 2012

Balance Sheet

	As at 31 March 2012 US \$	As at 31 March 2012 ₹	As at 31 March 2011 US \$	As at 31 March 2011 ₹
EQUITY AND LIABILITIES				
SHAREHOLDERS' FUNDS				
Share capital	22,47,227	11,49,60,268	22,47,227	10,03,38,686
Reserves and surplus	9,35,764	4,78,70,411	68,227	30,46,322
	31,82,991	16,28,30,679	23,15,454	10,33,85,007
CURRENT LIABILITIES				
Short-term borrowings	22,26,078	11,38,78,359	2,87,000	1,28,14,550
Trade payables	19,86,491	10,16,21,927	33,07,309	14,76,71,358
Other current liabilities	1,39,962	71,59,966	1,16,749	52,12,838
	43,52,531	22,26,60,252	37,11,058	16,56,98,746
TOTAL	75,35,522	38,54,90,931	60,26,512	26,90,83,753
ASSETS				
NON-CURRENT ASSETS				
Fixed assets				
Tangible assets	1,21,308	62,05,693	63,388	28,30,254
Intangible assets	3,125	1,59,864	10,625	4,74,406
Non-current investments	11,49,031	5,87,80,404	11,49,031	5,13,04,234
	12,73,464	6,51,45,961	12,23,044	5,46,08,894
CURRENT ASSETS				
Trade receivables	49,32,179	25,23,13,015	31,40,263	14,02,12,750
Cash and bank balances	421	21,537	3,47,822	1,55,30,252
Short-term loans and advances	2,36,719	1,21,09,716	99,392	44,37,851
Other current assets	10,92,739	5,59,00,703	12,15,991	5,42,94,005
	62,62,058	32,03,44,970	48,03,468	21,44,74,859
TOTAL	75,35,522	38,54,90,931	60,26,512	26,90,83,753

Axis Inc.**Statement of Profit and Loss**

	Year ended 31 March 2012 US \$	Year ended 31 March 2012 ₹	Year ended 31 March 2011 US \$	Year ended 31 March 2011 ₹
INCOME				
Revenue from operations	2,40,34,383	1,22,95,14,914	1,47,76,235	65,97,58,879
Other income	-	-	4,815	2,14,990
TOTAL	2,40,34,383	1,22,95,14,914	1,47,81,050	65,99,73,869
EXPENSES				
Employee benefit expenses	1,57,02,413	80,32,80,491	97,14,870	43,37,68,946
Other expenses	23,47,680	12,00,99,092	15,79,286	7,05,15,120
Sub-contracting charges	44,94,902	22,99,43,454	32,36,162	14,44,94,633
TOTAL	2,25,44,995	1,15,33,23,037	1,45,30,318	64,87,78,699
EARNINGS BEFORE INTEREST, TAX, DEPRECIATION AND AMORTISATION (EBITDA)	14,89,388	7,61,91,877	2,50,732	1,11,95,170
Depreciation and amortisation expense	55,342	28,31,103	27,880	12,44,842
Finance costs	48,102	24,60,730	14,566	6,50,372
PROFIT BEFORE TAX	13,85,944	7,09,00,044	2,08,286	92,99,956
Tax expense				
- Current tax	5,18,407	2,65,19,888	43,590	19,46,294
NET PROFIT	8,67,537	4,43,80,157	1,64,696	73,53,663
Earnings per share:				
Basic and diluted	43.98	2,250	8.35	373

Cash Flow Statement

	Year ended 31 March 2012 US \$	Year ended 31 March 2012 ₹
Cash flows from operating activities		
Profit before taxation	13,85,944	7,09,00,044
Adjustment for :		
Depreciation and amortisation	55,342	28,31,103
Interest expense	48,102	24,60,730
Operating profit before working capital changes	14,89,388	7,61,91,877
Decrease in trade payables	(13,20,818)	(6,75,68,426)
Increase in other current liabilities	23,213	11,87,496
Increase in trade receivables	(17,91,916)	(9,16,68,151)
Increase in short-term loans and advances	(1,37,327)	(70,25,169)
Decrease in unbilled revenue	1,23,252	63,05,141
Cash used in operations	(16,14,208)	(8,25,77,232)
Direct tax payment	(5,18,407)	(2,65,19,888)
Net cash used in operating activities	(21,32,615)	(10,90,97,119)
Cash flows from investing activities		
Purchase of fixed assets	(1,05,762)	(54,10,414)
Net cash used in investing activities	(1,05,762)	(55,88,194)
Cash flows from financing activities		
Proceeds from borrowings, net of repayments	19,39,078	9,91,96,444
Interest paid	(48,102)	(24,60,730)
Net cash from financing activities	18,90,976	9,70,69,839
Net decrease in cash and cash equivalents	(3,47,401)	(1,77,71,819)
Cash and cash equivalents at beginning of the year	3,47,822	1,77,93,356
Cash and cash equivalents at the end of the year	421	21,537

Notes to the financial statements for the year ended 31 March 2012

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.

The financial statements are presented in United States dollars ("USD") which is the Company's functional currency. All financial information is presented in USD, unless otherwise stated.

(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 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 debts and employee benefits. 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 revenue represent costs incurred and revenue recognised on amounts to be billed in subsequent periods as per contractual terms. The related billings are made within the next operating cycle.

Interest income is recognised on a time proportion basis taking into account the amount outstanding and the rate applicable.

Dividend on investments is recognised when the right to receive dividend is established.

(d) Fixed assets and depreciation/amortisation

i) Tangible

Fixed assets are carried at the cost less accumulated depreciation 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. Expenditure on account of modification / alteration in fixed assets, which increases the future benefit from the existing asset beyond its previous assessed standard of performance, is capitalised.

ii) Intangible

Intangible asset comprises of software and is stated at cost less accumulated amortisation and impairment losses.

iii) Depreciation and amortisation

Depreciation on fixed assets is provided on straight line method at rates based on the management's estimates of useful life, as follows:

Asset category	Depreciation Rate
Office equipments	20.00%
Computers	33.33%
Furniture & fixtures	14.29%
Softwares	20.00% - 33.33%
Leasehold improvements	Period of lease

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



Notes to the financial statements for the year ended 31 March 2012 (Cont'd)

(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) 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.

(g) Borrowing cost

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

(h) Foreign currency transactions

Foreign currency transactions are recorded at the exchange rate prevailing on the date of the transaction. Differences arising out of foreign currency transactions settled during the year are recognised in the Statement of profit and loss.

Monetary items outstanding at the Balance Sheet date and denominated in foreign currencies are recorded at the exchange rate prevailing at the end of the year. Differences arising therefrom 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; and non-monetary items which are carried at fair value or other similar valuation denominated in a foreign currency are reported using the exchange rates that existed when the values were determined.

Investments in foreign companies are recorded at the exchange rate prevailing on the date of making the respective investments.

(i) Employee benefits

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

Social security

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.

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Notes to the financial statements for the year ended 31 March 2012 (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. Net operating losses carryover 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. Disclosure is also made in respect of a present obligation that probably requires an outflow of resources, where it is not possible to make a reliable estimate of the related outflow. Where there is a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

(l) Operating 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 /(Loss) 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.

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Notes to the financial statements for the year ended 31 March 2012 (Cont'd)

2 SHARE CAPITAL	As at 31 March 2012		As at 31 March 2011	
	Number	US \$	Number	US \$
Authorised				
Equity shares with no par value, fully paid up	19,726	2,247,227	19,726	2,247,227
	<u>19,726</u>	<u>2,247,227</u>	<u>19,726</u>	<u>2,247,227</u>
Issued share capital				
Equity shares with no par value, fully paid up	19,726	2,247,227	19,726	2,247,227
	<u>19,726</u>	<u>2,247,227</u>	<u>19,726</u>	<u>2,247,227</u>
Subscribed and paid up				
Equity shares with no par value, fully paid up	19,726	2,247,227	19,726	2,247,227
	<u>19,726</u>	<u>2,247,227</u>	<u>19,726</u>	<u>2,247,227</u>
a. Reconciliation of the equity share capital				
Balance at the beginning of the year	19,726	2,247,227	17,078	1,850,127
Add : Issued during the year	-	-	2,648	397,100
Balance at the end of the year	<u>19,726</u>	<u>2,247,227</u>	<u>19,726</u>	<u>2,247,227</u>

b. Terms and rights attached to equity shares

The company has only one class of equity shares having a no par value per share. Each share is entitled to one vote per share. 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 shareholders.

c. Shares held by holding company	As at 31 March 2012		As at 31 March 2011	
	Number	US \$	Number	US \$
Axis-IT&T Limited	19,726	2,247,227	19,726	2,247,227

3 RESERVES AND SURPLUS

Surplus/(deficit) in the Statement of profit and loss

	As at 31 March 2012 US \$	As at 31 March 2011 US \$
Balance at the beginning of the year	68,227	(96,469)
Add : Net profit	867,537	164,696
Balance at the end of the year	<u>935,764</u>	<u>68,227</u>

4 BORROWINGS

	As at 31 March 2012		As at 31 March 2011	
	Long-term US \$	Short-term US \$	Long-term US \$	Short-term US \$
Line of credit	-	2,226,078	-	287,000
	<u>-</u>	<u>2,226,078</u>	<u>-</u>	<u>287,000</u>
The above amount includes:				
Secured borrowings	-	2,226,078	-	287,000

Line of credit facility from PNC bank is secured by tangible/intangible, current and non-current assets of the Company. The line of credit facility is repayable within one year from the date of availment and carries effective interest of LIBOR plus 2.50% p.a.

5 TRADE PAYABLES

	As at 31 March 2012 US \$	As at 31 March 2011 US \$
Trade payables	1,646,304	2,635,874
Accrued expenses	22,798	-
Dues to employees	317,389	671,435
	<u>1,986,491</u>	<u>3,307,309</u>

6 OTHER CURRENT LIABILITIES

	As at 31 March 2012 US \$	As at 31 March 2011 US \$
Duties and taxes payable	138,742	115,529
Others	1,220	1,220
	<u>140,000</u>	<u>116,749</u>



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Notes to the financial statements for the year ended 31 March 2012 (Cont'd)

7 TANGIBLE ASSETS

(Amount in US \$)

	Computers	Furniture and fixtures	Office equipments	Leasehold improvements	Total
Gross block					
Balance as at 1 April 2010	46,343	4,421	534,827	7,282	592,873
Additions	43,570	4,526	-	1,352	49,448
Balance as at 31 March 2011	89,913	8,947	534,827	8,634	642,321
Additions	79,919	9,271	2,522	14,050	105,762
Balance as at 31 March 2012	169,832	18,218	537,349	22,684	748,083
Accumulated amortisation					
Balance as at 1 April 2010	27,392	1,153	525,077	4,931	558,553
Charge for the year	15,172	856	3,000	1,352	20,380
Balance as at 31 March 2011	42,564	2,009	528,077	6,283	578,933
Charge for the year	30,673	1,710	3,210	12,249	47,842
Balance as at 31 March 2012	73,237	3,719	531,287	18,532	626,775
Net Block					
Balance as at 31 March 2011	47,349	6,938	6,750	2,351	63,388
Balance as at 31 March 2012	96,595	14,499	6,062	4,152	121,308

8 INTANGIBLE ASSETS

	Softwares	Total
Gross block		
Balance as at 1 April 2010	490,774	490,774
Additions	-	-
Balance as at 31 March 2011	490,774	490,774
Additions	-	-
Balance as at 31 March 2012	490,774	490,774
Accumulated amortisation		
Balance as at 1 April 2010	472,649	472,649
Charge for the year	7,500	7,500
Balance as at 31 March 2011	480,149	480,149
Charge for the year	7,500	7,500
Balance as at 31 March 2012	487,649	487,649
Net Block		
Balance as at 31 March 2011	10,625	10,625
Balance as at 31 March 2012	3,125	3,125



Notes to the financial statements for the year ended 31 March 2012 (Cont'd)

	As at 31 March 2012 US \$	As at 31 March 2011 US \$
9 NON-CURRENT INVESTMENTS (Valued at cost unless stated otherwise)		
Investments in equity instruments		
Trade		
In subsidiary - Axis EU Limited 575,476 (31 March 2011 - 575,476) equity shares of GBP 1 each.	1,149,031	1,149,031
	<u>1,149,031</u>	<u>1,149,031</u>
10 TRADE RECEIVABLES		
Other receivables		
Unsecured, considered good	4,932,179	3,140,263
	<u>4,932,179</u>	<u>3,140,263</u>
11 CASH AND BANK BALANCES		
Cash and cash equivalents		
Cash on hand	21	21
Balances with banks:		
- in current accounts	400	347,801
	<u>421</u>	<u>347,822</u>
12 SHORT-TERM LOANS AND ADVANCES		
Security deposit		
Unsecured, considered good	205	-
	<u>205</u>	<u>-</u>
Advances recoverable in cash or kind		
Unsecured, considered good	90,725	25,997
	<u>90,725</u>	<u>25,997</u>
Other loans and advances		
Prepaid expenses	128,680	60,489
Loans to employees	-	6,473
Recoverable from customer	17,109	6,433
	<u>145,789</u>	<u>73,395</u>
	<u>236,719</u>	<u>99,392</u>
13 OTHER CURRENT ASSETS		
Unbilled revenue	1,092,739	1,215,991
	<u>1,092,739</u>	<u>1,215,991</u>



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Notes to the financial statements for the year ended 31 March 2012 (Cont'd)

	Year ended 31 March 2012 US \$	Year ended 31 March 2011 US \$
14 EMPLOYEE BENEFIT EXPENSES		
Salaries and bonus	15,658,526	9,688,263
Staff welfare	43,887	26,607
	<u>15,702,413</u>	<u>9,714,870</u>
15 OTHER EXPENSES		
Equipment hire charges	437,679	368,386
Management fees	362,118	220,042
Travelling and conveyance	452,359	372,228
Legal and professional charges	426,081	237,308
Rent	177,332	117,983
Advertising expenses	181,400	64,230
Electricity charges	15,708	12,149
Repairs and maintenance		
-Building	40,712	25,327
-Others	-	732
Recruitment and training expenses	98,858	69,080
Communication expenses	58,252	43,198
Rates and taxes	14,752	15,494
Insurance expenses	56,795	21,804
Miscellaneous expenses	25,634	11,325
	<u>2,347,680</u>	<u>1,579,286</u>
16 DEPRECIATION AND AMORTISATION EXPENSE		
Depreciation of tangible assets (Also, refer note 7)	47,842	20,380
Amortisation of intangible assets (Also, refer note 8)	7,500	7,500
	<u>55,342</u>	<u>27,880</u>
17 FINANCE COSTS		
Interest on loans		
- line of credit	27,074	8,164
Processing fee and other bank charges	21,028	6,402
	<u>48,102</u>	<u>14,566</u>
18 EARNINGS PER SHARE (EPS)		
	Year ended 31 March 2012	Year ended 31 March 2011
a) Profit after tax attributable to equity shares (in US \$)	867,537	164,696
b) Weighted average number of shares outstanding	19,726	19,726
c) Basic and diluted earning per share (in US \$)	43.98	8.35



Notes to the financial statements for the year ended 31 March 2012 (Cont'd)

19 RELATED PARTY DISCLOSURES

i. Parties where control exists :

Nature of relationship

Holding company

Name of party

The Company is a subsidiary of Axis-IT&T Limited which is a subsidiary of Tayana Digital Private Limited (demerged from Tayana Software Solutions Private Limited) which is a subsidiary of Axis Aerospace & Technologies Limited. ('AATL', formerly known as Jupiter Strategic Technologies Private Limited'). AATL, a venture funded by Jupiter Capital Private Limited ('JCPL'), is a subsidiary of the JCPL.

Subsidiary company

Axis EU Limited

ii. Name and relationship of related parties where transaction has taken place

Fellow subsidiary

Cades Digitech Private Limited

iii. Key Management Personnel ('KMP'):

Name of KMP

Mr. S Ravinarayanan

Nature of relationship

Director

iv. Transactions with related parties

(Amount in US \$)

Nature of Transaction	Holding company / intermediate holding company		Subsidiary/ fellow subsidiary		Total	
	31 March 2012	31 March 2012	31 March 2012	31 March 2011	31 March 2012	31 March 2011
	a) <i>Advances given</i> Axis EU Limited	-	-	90,725	24,900	90,725
b) <i>Advances recovered</i> Axis EU Limited	-	-	24,900	-	24,900	-
c) <i>Reimbursement of expenses by the Company</i> Axis-IT&T Limited	87,281	-	-	-	87,281	-
Axis EU Limited	-	-	25,147	-	25,147	-
Cades Digitech Private Limited	-	-	75,521	-	75,521	-
d) <i>Consultancy charges</i> Axis-IT&T Limited	139,380	-	-	-	139,380	-
e) <i>Sub-contracting charges</i> Axis-IT&T Limited	4,494,902	3,236,162	-	-	4,494,902	3,236,162
f) <i>Management fees</i> Axis Aerospace & Technologies Limited	362,118	220,042	-	-	362,118	220,042

v. Balances as at the year end

(Amount in US \$)

Nature of Transaction	Holding Company / Intermediate Holding		Subsidiary/ Fellow subsidiary		Total	
	31 March 2012	31 March 2011	31 March 2012	31 March 2011	31 March 2012	31 March 2011
a) <i>Other current liabilities</i> <i>Reimbursement of expense</i> Axis-IT&T Limited	87,281	-	-	-	87,281	-
Axis EU Limited	-	-	25,147	-	25,147	-
Cades Digitech Private Limited	-	-	75,521	-	75,521	-
<i>Management fees</i> Axis Aerospace & Technologies Limited	35,982	86,020	-	-	35,982	86,020
b) <i>Trade payables</i> Axis-IT&T Limited	978,534	2,230,803	-	-	978,534	2,230,803
b) <i>Other current assets</i>						

Notes to the financial statements for the year ended 31 March 2012 (Cont'd)

20 PREVIOUS YEAR FIGURES

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

For and on behalf of the Board of Directors



Kirit Manek
Director

Noida
28 May 2012



Suvra Basu
President

Peoria, USA
26 May 2012

