

Financial Statements and Auditors' Report

AXISCADES, Inc.
(formerly Axis, Inc.)

31 March 2017

4

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Walker Chandiook & Co LLP

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Independent Auditor's Report

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To the Board of Directors of AXISCADES, Inc. (formerly Axis, Inc.)

We have audited the accompanying financial statements of AXISCADES, Inc. (formerly Axis, Inc.) ("the Company"), which comprise the Balance Sheet as at 31 March 2017, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

1. Management is responsible for the preparation of these 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 Standards issued by the Institute of Chartered Accountants of India (ICAI) and other generally accepted accounting principles in India. This responsibility also includes maintenance of adequate accounting records for safeguarding 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 financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

2. Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. 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.
3. 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 control relevant to the Company's preparation and presentation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.



Walker Chandiook & Co LLP

4. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

5. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements 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 31 March 2017, its loss and its cash flows for the year ended on that date.

Other Matter

6. These financial statements have been prepared by the management solely to assist AXISCADES Engineering Technologies Limited, the Holding Company of AXISACDES, Inc. (formerly Axis, Inc.), to prepare its consolidated financial statements. As a result, the financial statements may not be suitable for another purpose. Our report is intended solely for the aforesaid mentioned purpose, accordingly, should not to be used, circulated, quoted, or otherwise referred to for any other purpose without our prior written consent.

Walker Chandiook & Co LLP

For Walker Chandiook & Co LLP

Chartered Accountants

Firm's Registration No.: 001076N/N500013

[Signature]
per Aasheesh Arjun Singh

Partner

Membership No.: 210122

Bengaluru
29 May 2017



AXISCADES, Inc.
(formerly known as Axis, Inc.)
Balance Sheet

	NOTE	As at 31 March 2017 USD	As at 31 March 2016 USD
EQUITY AND LIABILITIES			
SHAREHOLDERS' FUNDS			
Share capital	3	2,247,227	2,247,227
Reserves and surplus	4	213,619	658,785
		<u>2,460,846</u>	<u>2,906,012</u>
NON-CURRENT LIABILITIES			
Deferred tax liabilities, net	5	1,696	1,696
CURRENT LIABILITIES			
Short-term borrowings	6	1,120,919	440,691
Trade payables	7	1,724,699	615,353
Other current liabilities	8	589,411	506,282
Short-term provisions	9	3,023	7,255
		<u>3,438,052</u>	<u>1,569,581</u>
TOTAL		<u>5,900,594</u>	<u>4,477,289</u>
ASSETS			
NON-CURRENT ASSETS			
Fixed assets			
Tangible assets	10	27,629	34,026
Intangible assets	11	-	-
Non-current investment	12	1,149,031	1,149,031
Long-term loans and advances	13	40,336	40,156
		<u>1,216,996</u>	<u>1,223,213</u>
CURRENT ASSETS			
Trade receivables	14	3,056,984	2,375,303
Cash and cash equivalents	15	21	21
Short-term loans and advances	13	416,128	438,301
Other current assets	16	1,210,465	440,451
		<u>4,683,598</u>	<u>3,254,076</u>
TOTAL		<u>5,900,594</u>	<u>4,477,289</u>

Summary of significant accounting policies and other explanatory information.

1-25

Notes forms an integral part of these financial statements.

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

Walker Chandiook & Co LLP

For Walker Chandiook & Co LLP
Chartered Accountants

per Aasheesh Arjun Singh
Partner

Bengaluru
29 May 2017



For and on behalf of the Board of Directors of AXISCADES, Inc.

Sreedhar Rao Ellentala
Sreedhar Rao Ellentala
Director

Bengaluru
29 May 2017

S. Valmeekanathan
S. Valmeekanathan
Director

Bengaluru
29 May 2017

AXISCADES, Inc.
(formerly known as Axis, Inc.)
Statement of Profit and Loss

	NOTE	Year ended 31 March 2017 USD	Year ended 31 March 2016 USD
INCOME			
Revenue from operations		16,215,181	14,083,158
Other income	17	103	-
TOTAL REVENUE		16,215,284	14,083,158
EXPENSES			
Employee benefits expense	18	10,216,248	10,524,660
Other expenses	19	1,611,700	1,300,317
Sub-contracting charges		4,793,838	2,577,161
Depreciation and amortisation expense	20	12,780	31,484
Finance costs	21	25,884	7,847
TOTAL EXPENSES		16,660,450	14,441,469
LOSS BEFORE TAX		(445,166)	(358,311)
Tax expense		-	-
- Current tax		-	-
- Deferred tax charge		-	-
LOSS FOR THE YEAR		(445,166)	(358,311)
Loss per equity share:	22		
Basic and diluted		(22.57)	(18.17)

Summary of significant accounting policies and other explanatory information. 1-25
Notes forms an integral part of these financial statements.

This is the Statement of Profit and Loss referred to in our report of even date.

Walker Chandiook & Co LLP

For Walker Chandiook & Co LLP
Chartered Accountants

[Signature]
per Aashesh Arjun Singh
Partner

Bengaluru
29 May 2017



For and on behalf of the Board of Directors of AXISCADES, Inc.

[Signature] *[Signature]*

Sreedhar Rao Ellentala
Director

S. Valmeekathan
Director

Bengaluru
29 May 2017

Bengaluru
29 May 2017

AXISCADES, Inc.
(formerly known as Axis, Inc.)
Cash Flow Statement

	Year ended 31 March 2017 USD	Year ended 31 March 2016 USD
Cash flows from operating activities		
Loss before taxation	(445,166)	(358,311)
Adjustment for:		
Depreciation and amortisation expense	12,780	31,484
Interest expense	25,884	7,847
Operating profit before working capital changes	(406,502)	(318,980)
Increase in trade receivables	(681,681)	(91,977)
Decrease/ (increase) in loans and advances	22,173	(299,424)
(Increase)/ decrease in other current assets	(770,014)	32,090
Increase in trade payables	1,109,346	89,628
Decrease in short term provisions	(4,232)	-
Increase in other current liabilities	83,129	206,636
Cash used in operations	(647,781)	(382,027)
Tax paid	(180)	(800)
Net cash used in operating activities	(647,961)	(382,826)
Cash flows from investing activities		
Purchase of fixed assets	(6,383)	(4,984)
Net cash used in investing activities	(6,383)	(4,984)
Cash flows from financing activities		
Proceeds from working capital loan, net	180,228	395,658
Inter-corporate deposit received from related party	500,000	-
Interest paid	(25,884)	(7,847)
Net cash generated from financing activities	654,344	387,811
Net increase in cash and cash equivalents	-	-
Cash and cash equivalents at beginning of the year	21	21
Cash and cash equivalents at the end of the year	21	21

This is the Cash Flow Statement referred to in our report of even date.

Walker Chandiook & Co LLP
 For Walker Chandiook & Co LLP
 Chartered Accountants

per Aashesh Arjun Singh
 Partner

Bengaluru
 29 May 2017



For and on behalf of the Board of Directors of AXISCADES, Inc.

Sreedhar Rao Ellentala
 Sreedhar Rao Ellentala
 Director

Bengaluru
 29 May 2017

S. Valmeekanathan
 S. Valmeekanathan
 Director

Bengaluru
 29 May 2017

AXISCADES, Inc.

(formerly known as Axis, Inc.)

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2017

1 BACKGROUND

AXISCADES, Inc. ('the Company'), operates in the business of Engineering Design Services. During the meeting held on 11 November 2016, the Board of Directors approved the change of name of the Company. Effective 9 December 2016, the Company is now known as AXISCADES, Inc.

2 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 and provisions for doubtful debts. 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 and fixed-timeframe contracts, where there is no uncertainty as to measurement or collectability of consideration, is recognized based upon the percentage-of-completion method. When there is uncertainty as to measurement or ultimate collectability, revenue recognition is postponed until such uncertainty is resolved. Cost and earnings in excess of billings are classified as unbilled revenue while billings in excess of cost and earnings are classified as unearned revenue. Provision for estimated losses, if any, on uncompleted contracts are recorded in the period in which such losses become probable based on the current 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.

(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 assets comprise of softwares and are stated at cost less accumulated amortisation and impairment losses.



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AXISCADES, Inc.

(formerly known as Axis, Inc.)

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2017 (Cont'd)

2 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

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	Estimated useful life (Years)
Computers	3
Furniture and fixtures	7
Office equipments	5
Leasehold improvements	Period of lease
Softwares	3

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/ amortised in the year of purchase.

(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) 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.

(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.

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.

(j) 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.

Contingent assets are not recognised in the financial statements. However, contingent assets are assessed continually and if it is virtually certain that an inflow of economic benefits will arise, the asset and related income are recognised in the period in which the change occurs.



AXISCADES, Inc.

(formerly known as Axis, Inc.)

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2017 (Cont'd)

2 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(k) 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.

(l) Leases

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.

Finance leases

Assets acquired on lease where the entity has substantially all the risks and rewards of ownership are classified as finance leases. Such assets are capitalised at the inception of the lease at the lower of fair value or the present value of minimum lease payments and a liability is created for an equivalent amount. Each lease rental paid is allocated between the liability and interest cost, so as to obtain a constant periodic rate of interest on the outstanding liability for each period. The resultant interest cost is charged to the Statement of Profit and Loss on accrual basis.

(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.

n) Cash and cash equivalents

Cash and cash equivalents comprise cash and bank balances (including deposits) with original maturity of three months or less.

o) Segment reporting

The accounting policies adopted for segment reporting are in line with those of the Company with the following additional policies for segment reporting:

- a) Revenues and expenses have been identified to segments on the basis of their relationship to the operating activities of the segment.
- b) Revenues and expenses, which relate to the Company as a whole and are not allocable to segments on a reasonable basis, have been included under "Unallocated corporate revenues and expenses".
- c) Assets and liabilities, which relate to the Company as a whole and are not allocable to segments on a reasonable basis, are shown as unallocated corporate assets and liabilities respectively.



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AXISCADES, Inc.**(formerly known as Axis, Inc.)****Summary of significant accounting policies and other explanatory information for the year ended 31 March 2017 (Cont'd)**

3 SHARE CAPITAL	As at 31 March 2017		As at 31 March 2016	
	Number	USD	Number	USD
Authorised				
Equity shares with no par value fully paid up	19,725	2,247,227	19,725	2,247,227
	<u>19,725</u>	<u>2,247,227</u>	<u>19,725</u>	<u>2,247,227</u>
Issued share capital				
Equity shares with no par value fully paid up	19,725	2,247,227	19,725	2,247,227
	<u>19,725</u>	<u>2,247,227</u>	<u>19,725</u>	<u>2,247,227</u>
Subscribed and paid up				
Equity shares with no par value fully paid up	19,725	2,247,227	19,725	2,247,227
	<u>19,725</u>	<u>2,247,227</u>	<u>19,725</u>	<u>2,247,227</u>
a. Reconciliation of the equity share capital				
Balance at the beginning of the year	19,725	2,247,227	19,725	2,247,227
Add: Issued during the year	-	-	-	-
Balance at the end of the year	<u>19,725</u>	<u>2,247,227</u>	<u>19,725</u>	<u>2,247,227</u>

b. Terms and rights attached to equity shares

The Company has only one class of equity shares having no par value. Each share is entitled to one vote per share. The Company declares and pays dividends in US Dollars.

The dividend 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 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 2017		As at 31 March 2016	
	Number	USD	Number	USD
AXISCADES Engineering Technologies Limited	19,725	2,247,227	19,725	2,247,227

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

AXISCADES Engineering Technologies Limited	19,725	2,247,227	19,725	2,247,227
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4 RESERVES AND SURPLUS

	As at 31 March 2017		As at 31 March 2016	
	Number	USD	Number	USD
Balance at the beginning of the year			658,785	1,017,096
Add: Loss for the year			(445,166)	(358,311)
Balance at the end of the year			<u>213,619</u>	<u>658,785</u>



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AXISCADES, Inc.**(formerly known as Axis, Inc.)****Summary of significant accounting policies and other explanatory information for the year ended 31 March 2017 (Cont'd)**

	As at 31 March 2017 USD	As at 31 March 2016 USD
5 DEFERRED TAXES		
Deferred tax liability		
Timing difference on depreciation and amortisation	1,696	1,696
Deferred tax liability, net	<u>1,696</u>	<u>1,696</u>
Note:		
In view of carry forward losses under local tax laws, the Company is unable to demonstrate virtual certainty as required by the Explanation in Accounting Standard 22 'Accounting for taxes on income'. Accordingly, no deferred tax asset is recognised as at 31 March 2017 as there is no virtual certainty supported by convincing evidence that sufficient future taxable income will be available against which such deferred tax asset can be realised.		
6 SHORT-TERM BORROWINGS		
(Secured)		
Working capital loan (refer note a)	620,919	440,691
(Unsecured)		
Loans from related party (refer note b)	500,000	-
	<u>1,120,919</u>	<u>440,691</u>
a) Working capital loan facility is secured by tangible/intangible, current and non-current assets of the Company. The working capital loan facility is repayable within one year from the date of availment and carries effective interest of LIBOR plus 2.75% p.a.		
b) Inter-corporate deposits from AXISCADES Technology Canada Inc. for USD 500,000 (Previous Year USD Nil) carrying rate of interest at 4% per annum and the ICD is repayable on demand.		
7 TRADE PAYABLES		
	As at 31 March 2017 USD	As at 31 March 2016 USD
Dues to Holding Company	615,758	484,962
Dues to others	866,395	88,574
Accrued expenses	242,546	41,817
	<u>1,724,699</u>	<u>615,353</u>
8 OTHER CURRENT LIABILITIES		
Book overdraft	130,876	159,412
Duties and taxes payable	29,724	26,880
Dues to employees	366,423	319,990
Advance from customers	16,935	-
Interest accrued	11,989	-
Unearned revenue	33,464	-
	<u>589,411</u>	<u>506,282</u>
9 SHORT-TERM PROVISIONS		
Provision for lease payments	3,023	7,255
	<u>3,023</u>	<u>7,255</u>



AXISCADES, Inc.**(formerly known as Axis, Inc.)****Summary of significant accounting policies and other explanatory information for the year ended 31 March 2017 (Cont'd)**

(Amount in USD)

10 TANGIBLE ASSETS

	Computers	Furniture and fixtures	Office equipments	Leasehold improvements	Total
Gross block					
Balance as at 1 April 2015	249,561	67,206	537,349	22,684	876,800
Additions during the year	4,984	-	-	-	4,984
Balance as at 31 March 2016	254,545	67,206	537,349	22,684	881,784
Additions during the year	6,383	-	-	-	6,383
Balance as at 31 March 2017	260,928	67,206	537,349	22,684	888,167
Accumulated depreciation					
Balance as at 1 April 2015	237,677	28,765	536,118	22,684	825,244
Charge for the year	13,003	9,151	360	-	22,514
Balance as at 31 March 2016	250,680	37,916	536,478	22,684	847,758
Charge for the year	3,451	8,969	360	-	12,780
Balance as at 31 March 2017	254,131	46,885	536,838	22,684	860,538
Net block					
Balance as at 31 March 2016	3,865	29,290	871	-	34,026
Balance as at 31 March 2017	6,797	20,321	511	-	27,629

(Amount in USD)

11 INTANGIBLE ASSETS

	Softwares	Total
Gross block		
Balance as at 1 April 2015	565,149	565,149
Additions during the year	-	-
Balance as at 31 March 2016	565,149	565,149
Additions during the year	-	-
Balance as at 31 March 2017	565,149	565,149
Accumulated amortisation		
Balance as at 1 April 2015	566,179	566,179
Charge for the year	8,970	8,970
Balance as at 31 March 2016	565,149	565,149
Charge for the year	-	-
Balance as at 31 March 2017	565,149	565,149
Net Block		
Balance as at 31 March 2016	-	-
Balance as at 31 March 2017	-	-



AXISCADES, Inc.**(formerly known as Axis, Inc.)****Summary of significant accounting policies and other explanatory information for the year ended 31 March 2017 (Cont'd)**

	As at 31 March 2017 USD		As at 31 March 2016 USD	
12 NON-CURRENT INVESTMENT				
(Unquoted, valued at cost unless stated otherwise)				
Investments in equity instruments				
Trade				
In subsidiary - AXISCADES UK Limited (formerly Axis EU Europe Limited) 575,476 (31 March 2016 - 575,476) equity shares of GBP 1 each.	1,149,031		1,149,031	
	<u>1,149,031</u>		<u>1,149,031</u>	
13 LOANS AND ADVANCES	As at 31 March 2017		As at 31 March 2016	
(Unsecured, considered good)	Long-term USD	Short-term USD	Long-term USD	Short-term USD
Security deposits	-	7,836	-	1,519
	<u>-</u>	<u>7,836</u>	<u>-</u>	<u>1,519</u>
Receivable from related party (Also, refer note 23(iv))	-	166,830	-	306,168
Other loans and advances *				
Advance taxes [net of provision for tax \$ 1,408 (31 March 2016:\$ 1,408)]	40,336	-	40,156	-
Prepaid expenses	-	128,751	-	100,393
Deposit with immigration authorities	-	39,220	-	13,675
Advance to employees	-	73,491	-	13,009
Recoverable from customer	-	-	-	3,537
	<u>40,336</u>	<u>241,462</u>	<u>40,156</u>	<u>130,614</u>
	<u>40,336</u>	<u>416,128</u>	<u>40,156</u>	<u>438,301</u>
*Advances recoverable in cash or kind				
14 TRADE RECEIVABLES			As at 31 March 2017 USD	As at 31 March 2016 USD
(Unsecured, considered good)				
Outstanding for a period exceeding six months from the date they are due for collection				
Other receivables			3,056,984	2,375,303
			<u>3,056,984</u>	<u>2,375,303</u>
15 CASH AND CASH EQUIVALENTS				
Cash on hand			21	21
			<u>21</u>	<u>21</u>
16 OTHER CURRENT ASSETS				
Unbilled revenue			1,210,465	440,451
			<u>1,210,465</u>	<u>440,451</u>



AXISCADES, Inc.**(formerly known as Axis, Inc.)****Summary of significant accounting policies and other explanatory information for the year ended 31 March 2017 (Cont'd)**

	Year ended 31 March 2017 USD	Year ended 31 March 2016 USD
17 OTHER INCOME		
Misc. Income	103	-
	<u>103</u>	<u>-</u>
18 EMPLOYEE BENEFITS EXPENSE		
Salaries, wages and bonus	8,961,511	9,274,557
Contribution to social security	724,544	767,555
Staff welfare	530,193	482,548
	<u>10,216,248</u>	<u>10,524,660</u>
19 OTHER EXPENSES		
Software subscription charges	113,636	85,717
Legal and professional charges	314,200	397,012
Travelling and conveyance	453,216	268,023
Rent	126,885	144,995
Equipment hire charges	6,000	-
Recruitment and training expenses	108,853	118,920
Insurance expenses	100,709	134,524
Communication expenses	61,026	54,497
Postage and courier charges	5,594	-
Repairs and maintenance		
- Buildings	17,833	12,669
- Others	-	-
Advertising and marketing expenses	265,900	49,672
Electricity charges	13,718	12,289
Rates and taxes	3,052	4,505
Bank charges	7,255	3,030
Miscellaneous expenses	13,823	14,464
	<u>1,611,700</u>	<u>1,300,317</u>
20 DEPRECIATION AND AMORTISATION EXPENSE		
Depreciation of tangible assets (Also, refer note 10)	12,780	22,514
Amortisation of intangible assets (Also, refer note 11)	-	8,970
	<u>12,780</u>	<u>31,484</u>
21 FINANCE COSTS		
Interest on loans from bank	13,895	7,847
Interest on Inter-corporate deposit	11,989	-
	<u>25,884</u>	<u>7,847</u>
22 LOSS PER SHARE (EPS)		
a) Loss after tax attributable to equity shares (in USD)	(445,166)	(358,311)
b) Weighted average number of shares outstanding	19,725	19,725
c) Basic and diluted loss per share (in USD)	(22.57)	(18.17)



AXISCADES, Inc.

(formerly known as Axis, Inc.)

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2017 (Cont'd)

23 RELATED PARTY DISCLOSURES

i. Parties where control exists :

Nature of relationship	Name of party
Holding Company	AXISCADES Engineering Technologies Limited
Subsidiary Company	AXISCADES UK Limited (formerly known as Axis EU Europe Limited)

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

Fellow Subsidiary Company	AXISCADES Technology Canada Inc. (formerly known as Cades Technology Canada Inc.)
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iii. Key management personnel:

Director and CEO	Mr. Srinivasulu Reddy Pulikam
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iv. Transactions with related parties

(Amount in USD)

	Nature of Transaction	Relationship	Year Ended 31 March 2017	Year Ended 31 March 2016
a)	Software subscription expense cross-charged AXISCADES Engineering Technologies Limited	Holding Company	193,911	211,466
b)	Books and periodicals AXISCADES Engineering Technologies Limited	Holding Company	1,071	-
c)	Employee benefits expense cross-charged AXISCADES Engineering Technologies Limited AXISCADES Technology Canada Inc.	Holding Company Fellow Subsidiary Company	445,630 46,703	236,781 16,312
d)	Reimbursement of expense AXISCADES Engineering Technologies Limited	Holding Company	21,244	81,558
e)	Sub-contracting charges AXISCADES Engineering Technologies Limited	Holding Company	2,477,664	1,756,349
f)	Inter-corporate deposit received AXISCADES Technology Canada Inc.	Fellow Subsidiary Company	500,000	-
g)	Interest expense AXISCADES Technology Canada Inc.	Fellow Subsidiary Company	11,989	-
h)	Remuneration [also refer (iv)(c) above and note (a) below] Mr. Srinivasulu Reddy Pulikam	Key management personnel	166,630	155,706

Note (a): Includes USD 70,912 (31 March 2016: USD 70,952) being amount of employee benefits expense cross-charged to AXISCADES Engineering Technologies Limited.



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AXISCADES, Inc.

(formerly known as Axis, Inc.)

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2017 (Cont'd)

23 RELATED PARTY DISCLOSURES (CONT'D)

iv. Balances as at the year end

(Amount in USD)

	Nature of Transaction	Relationship	Year Ended 31 March 2017	Year Ended 31 March 2016
a)	Trade payables AXISCADES Engineering Technologies Limited	Holding Company	398,634	303,882
b)	Accrued expense AXISCADES Engineering Technologies Limited	Holding Company	217,124	131,080
c)	Other receivables AXISCADES Engineering Technologies Limited	Holding Company	135,793	299,956
	AXISCADES Technology Canada Inc.	Fellow Subsidiary Company	31,037	16,312
d)	Investment AXISCADES UK Limited *	Subsidiary Company	1,149,031	1,149,031
e)	Inter-corporate deposit payable AXISCADES Technology Canada Inc.	Fellow Subsidiary Company	500,000	-
e)	Other current liabilities AXISCADES Technology Canada Inc.	Fellow Subsidiary Company	11,989	-
f)	Remuneration payable Mr. Srinivasulu Reddy Pulikam	Key management personnel	6,154	5,539

* Maximum amount outstanding during the year USD 1,149,031 (31 March 2016 USD 1,149,031).

24 SEGMENT REPORTING

The Company has only one business segment, Engineering design services and earns the revenue primarily from sources within United States of America (USA). Accordingly, primary and secondary reporting disclosures for business and geographical segment as envisaged in Accounting Standard -17 (Segment reporting) are not applicable to the Company.

25 PREVIOUS YEAR FIGURES

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



For Walker Chandio & Co LLP
Chartered Accountants

per Aashesh Arjun Singh
Partner

Bengaluru
29 May 2017



For and on behalf of the Board of Directors of AXISCADES, inc.



Sreedhar Rao Ellentala
Director

Bengaluru
29 May 2017



S. Valmikanathan
Director

Bengaluru
29 May 2017

