S.R. BATLIBOI & ASSOCIATES LLP
Chartered Accountants

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Independent Auditor's Report on Special Purpose Indian Accounting Standards (Ind AS) Financial Statements

To the Board of Directors of AXISCADES, Inc.

We have audited the accompanying special purpose financial statements of AXISCADES, Inc. (the "Company"), which comprise the Balance Sheet as at March 31, 2018, the Statement of Profit and Loss, the Cash Flow Statement and the Statement of Changes in Equity for the year ended March 31, 2018, and a summary of the significant accounting policies and other explanatory information (together hereinafter referred to as "Special Purpose Ind AS Financial Statements"). These Special Purpose Ind AS Financial Statements have been prepared by the Management as per group accounting policies of AXISCADES Engineering Technologies Limited ('the holding company') as given in Note 2.1 to the special purpose financial statements solely to assist the holding company, to prepare its consolidated Ind AS financial statements and also to enable the holding company to meet the requirement of Section 136 of the Companies Act, 2013.

Management's Responsibility for the Special Purpose Ind AS Financial Statements

The Company's Board of Directors is responsible for the preparation of these Special Purpose Ind AS Financial Statements in accordance with group accounting policies, including the Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 and issued by the Institute of Chartered Accountants of India ("ICAI"), and for such internal controls relevant to the preparation of the Special Purpose Ind AS Financial Statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these Special Purpose Ind AS 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.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial controls relevant to the Company's preparation of the financial statements 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 financial controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial Statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on these Special Purpose Ind AS Financial Statements.

Batliboi & Associates LLP Bengaluru

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the Special Purpose Ind AS Financial Statements as at and for the year ended March 31, 2018, give a true and fair view in conformity with the basis of preparation given in note 2.1 to the special purpose financial statements, of the state of affairs of the Company as at March 31, 2018, its loss including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Emphasis of Matter

These special purpose financial statements are prepared as per the basis of preparation given in note 2.1 to these special purpose financial statements. These financial statements are not a complete set of financial statements and may not be suitable for any other purpose. Our opinion is not qualified in respect of this matter.

Other matters

The comparative financial information of the Company for the year ended March 31, 2017 and the transition date opening balance sheet as at April 01, 2016 prepared in accordance with Ind AS, included in these Special Purpose Ind AS Financial Statements, have been audited by the predecessor auditor who had audited the financial statements for the relevant periods. The report of the predecessor auditor on the comparative financial information and the opening balance sheet dated May 07, 2018 expressed an unmodified opinion with an emphasis of matter on comparative financial information.

Restriction of use

This report on the Special Purpose Ind AS Financial Statements has been issued solely, to assist AXISCADES Engineering Technologies Limited, the holding company, to prepare its consolidated Ind AS financial statements and also to enable the holding company to meet the requirement of Section 136 of the Companies Act, 2013 and is intended solely for the information and use of the Board of Directors or Management of the entity in connection with the aforementioned purpose. It should not be used for any other purpose or provided to other parties.

For S.R. BATLIBOI & ASSOCIATES LLP
ICAI Firm registration number: 101049W/E300004
Chartered Accountants

per Sunil Gaggar
Partner
Membership No.: 104315

S. R. Batliboi & Associates LLP Bengaluru

Place: Bengaluru
Date: May 30, 2018

AXISCADES, Inc.
Balance Sheet as at March 31, 2018

(USD in Lakhs)

	Notes	March 31, 2018	March 31, 2017	April 1, 2016
Assets				
Non-current assets				
Property, plant and equipment	3	0.27	0.28	0.34
Financial assets				
Investments	4	11.49	11.49	11.49
Non-current tax assets (net)	5	0.40	0.40	0.40
		12.16	12.17	12.23
Current assets				
Financial assets				
Loans	6	4.39	1.75	3.08
Trade receivables	7	50.09	30.57	23.75
Cash and cash equivalents	8	0.00	0.00	0.00
Other financial assets	9	7.40	12.11	4.40
Other current assets	10	1.30	2.41	1.31
		63.18	46.84	32.54
Total assets		75.34	59.01	44.77
Equity and liabilities				
Equity				
Equity share capital	11	22.47	22.47	22.47
Other equity	12	(12.72)	2.14	6.59
		9.75	24.61	29.06
Non-current liabilities				
Deferred tax liability, net	13	0.02	0.02	0.02
		0.02	0.02	0.02
Current liabilities				
Financial liabilities				
Borrowings	14	30.62	11.21	4.41
Trade payables	15	28.57	17.25	6.15
Other financial liabilities	16	5.63	5.09	4.79
Provisions	17	-	0.03	0.07
Other current liabilities	18	0.75	0.80	0.27
		65.57	34.38	15.69
Total equity and liabilities		75.34	59.01	44.77

The accompanying notes are an integral part of these special purpose financial statements

As per our report of even date

For S R Batliboi & Associates LLP
Chartered Accountants

ICAI Firm Registration number : 101049W/E300004

per Sunil Gaggar
Partner
Membership Number 104315

Bengaluru
May 30, 2018

S. R. Batliboi & Associates LLP Bengaluru

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

Sreedhar Rao Ellentala
Director

Bengaluru
May 30, 2018

Srinivasulu Pulikam
Director and CEO

Peoria
May 29, 2018

AXISCADES, Inc.
Statement of Profit and Loss for the year ended March 31, 2018

(USD in Lakhs)

	Notes	March 31, 2018	March 31, 2017
Income			
Revenue from operations	19	215.91	162.15
Other income	20	0.00	0.00
Total income		215.91	162.15
Expenses			
Employee benefits expense	21	125.41	102.16
Other expenses	22	104.10	64.05
Depreciation expense	23	0.15	0.13
Finance cost	24	1.11	0.26
Total expenses		230.77	166.60
Profit / (Loss) before tax		(14.86)	(4.45)
Tax expense:			
Current tax		-	-
Deferred tax		-	-
Profit / (Loss) for the year		(14.86)	(4.45)
Other comprehensive income (OCI)		-	-
Total comprehensive income for the year, net of tax		(14.86)	(4.45)
Earnings per equity share	25		
Basic and diluted		(75.34)	(22.56)

The accompanying notes are an integral part of these special purpose financial statements.

As per our report of even date

For S R Batliboi & Associates LLP
Chartered Accountants

ICAI Firm Registration number : 101049W/E300004

per Sunil Gaggar
Partner
Membership Number : 104315

S. R. Batliboi & Associates LLP Bengaluru

Bengaluru
May 30, 2018

For and on behalf of the Board of Directors of

Sreedhar Rao Ellentala
Director

Bengaluru
May 30, 2018

Srinivasulu Pulikam
Director and CEO

Peoria
May 29, 2018

AXISCADES, Inc.
Statement of Changes in Equity for the period ended March 31, 2018

A. Equity share capital

		(USD in Lakhs)
Equity shares fully paid up	**Number**	**Amount**
As at April 1, 2016	19,725	22.47
Issued during the year	-	-
As at March 31, 2017	19,725	22.47
Issued during the year	-	-
As at March 31, 2018	19,725	22.47

B. Other equity

		(USD in Lakhs)
	Retained earnings	**Total**
As at April 1, 2016	6.59	6.59
Loss for the year	(4.45)	(4.45)
Other comprehensive income	-	-
As at March 31, 2017	2.14	2.14
Loss for the year	(14.86)	(14.86)
Other comprehensive income	-	-
Balance as at March 31, 2018	(12.72)	(12.72)

The accompanying notes are an integral part of these special purpose financial statements

As per our report of even date

For S R Batliboi & Associates LLP
Chartered Accountants

ICAI Firm Registration number : 101049W/E300004

per Sunil Gaggar
Partner
Membership Number : 104315

Bengaluru
May 30, 2018

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

Sreedhar Rao Ellentala
Director

Bengaluru
May 30, 2018

Srinivasulu Pulikam
Director and CEO

Peoria
May 29, 2018

AXISCADES, Inc.
Statement of Cash Flows for the year ended March 31, 2018

(USD in Lakhs)

	March 31, 2018	March 31, 2017
(A) Cash flows from operating activities		
Loss before taxation	**(14.86)**	**(4.45)**
Adjustments for:		
Depreciation and amortisation expense	0.15	0.13
Profit on sale of assets (March 31, 2018 USD 460; March 31, 2017 : Nil)	0.00	-
Interest expense	1.11	0.26
Allowance for expected credit loss	13.63	-
Bad debt written-off	0.10	-
Operating profit before working capital changes	**0.13**	**(4.06)**
Adjustments for working capital changes		
(Increase) / decrease in trade receivables	(33.25)	(6.82)
(Increase) / decrease in loans	(2.64)	1.33
(Increase) / decrease in other financial assets	4.71	(7.70)
(Increase) / decrease in other assets	1.11	(1.11)
Increase / (decrease) in trade payables	11.32	11.09
Increase / (decrease) in provisions	(0.03)	(0.04)
Increase / (decrease) in other financial liabilities	0.95	0.58
Increase / (decrease) in other liabilities	(0.05)	0.52
Cash used in operations	**(17.76)**	**(6.19)**
Direct taxes paid (net of refunds)	-	-
Net cash used in operating activities (A)	**(17.76)**	**(6.19)**
(B) Cash flows from investing activities		
Purchase of property, plant and equipment	(0.14)	(0.07)
Sale of property, plant and equipment (March 31, 2018: USD 743, March 31, 2017: Nil)	0.00	-
Net cash used in investing activities (B)	**(0.14)**	**(0.07)**
(C) Cash flows from financing activities		
Proceeds from short term borrowings (net)	19.41	6.80
Interest paid	(1.04)	(0.26)
Net cash generated from financing activities (C)	**18.37**	**6.54**
Net increase in cash and cash equivalents (A+B+C)	0.48	0.28
Cash and cash equivalents at beginning of the year (refer note 8)	(1.31)	(1.59)
Cash and cash equivalents at the end of the year (refer note 8)	**(0.83)**	**(1.31)**

The accompanying notes are an integral part of these financial statements

As per our report of even date

For S R Batliboi & Associates LLP
Chartered Accountants

ICAI Firm Registration number : 101049W/E300004

per Sunil Gaggar
Partner
Membership Number 104315

Bengaluru
May 30, 2018

S. R. Batliboi & Associates LLP Bengaluru

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

Sreedhar Rao Ellentala
Director

Bengaluru
May 30, 2018

Srinivasulu Pullkam
Director and CEO

Peoria
May 29, 2018

1 General Information:

AXISCADES, Inc. ('the Company'), operates in the business of Engineering Design Services. The registered office of the Company is located at 3008, W. Willow Knolls, Dr. Peoria, Illinois- 61614 in the United States of America.

2 Significant accounting policies

2.1 Basis of preparation

These special purpose financial statement ('financial statements') of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) issued by the Institute of Chartered Accountants of India (ICAI) and other generally accepted accounting principles in India ('Indian GAAP').

The financial statements have been prepared by the Management solely to assist AXISCADES Engineering Technologies Limited, the holding company, to prepare its consolidated Ind AS financials statements and also to enable the holding company to meet the requirement of Section 136 of the Companies Act, 2013. These financial statements for the year ended March 31, 2018 are the first financials statement the Company has prepared in accordance with Ind AS. Refer note 33 for information on how the Company adopted Ind AS.

The financial information for the year ended March 31, 2017 and the transition date opening balance Sheet as at April 1, 2016 included in these special purpose financial statements, are based on the previously issued statutory financial statements for the year ended March 31, 2017 and March 31, 2016 respectively, prepared in accordance with the accounting standards issued by the Institute of Chartered Accountants of India (ICAI) and other generally accepted accounting principles in India ('Previous GAAP'), approved and adopted by the Company's Board of Directors dated May 29, 2017 and May 30, 2016 respectively, as adjusted for the differences in the accounting principles adopted by the Company on transition to the Ind AS.

For periods up to and including the year ended March 31, 2017, the Company prepared and presented its financial statements in accordance with Previous GAAP. Refer note 33 for the explanation of transition from Previous GAAP to Indian GAAP.

The special purpose financial statements have been prepared using the significant accounting policies and measurement bases summarised below. These accounting policies have been used throughout all periods presented in these financial statements, except where the Company has applied certain accounting policies and exemptions upon transition to Ind AS.

The special purpose financial statements have been prepared on the historical cost basis, except for certain financial instruments which are measured at fair values at the end of each reporting period, as explained in the accounting policies below.

The financial statements are prepared in United States Dollar 'USD' and all values are rounded off to the nearest lakhs, except when otherwise indicated.

2.2 Going concern

These special purpose financial statements have been prepared on a going concern basis notwithstanding a loss of USD 14.86 lakhs for the year ended March 31, 2018, net current liabilities of USD. 2.39 lakhs and net worth of USD 9.75 lakhs as at that date. The Management has reviewed the Company's future cash flow projections prepared to support the going concern assumption. Furthermore, AXISCADES Engineering Technologies Limited, the holding Company has provided a letter of continuing support to the Company confirming its unconditional and irrevocable financial support for a period of at least 12 months from the date of signing of these financial statements. The Management, based on the Company's future cash flow projections and the aforesaid letter of continuing support, believes that the Company will be able to continue as a going concern and meet its financial obligations in the foreseeable future.

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2.3 Summary of significant accounting policies

(a) Current versus non-current classification

The Company presents assets and liabilities in the balance sheet based on current/non-current classification. An asset is treated as current when it is:

- Expected to be realised or intended to be sold or consumed in the normal operating cycle.
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is treated as current when :

- It is expected to be settled in the normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Company classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Company has identified twelve months as its operating cycle.

(b) Property plant and equipment

The Company has elected to fair value all of its property, plant and equipment as at April 1, 2016 and consider the fair value as deemed cost as at the transition date i.e., April 1, 2016.

Property, plant and equipment are stated at cost, less accumulated depreciation and impairment, if any. Costs directly attributable to acquisition are capitalised until the property, plant and equipment are ready for use, as intended by management. The present value of the expected cost for the decommissioning of an asset after its use is included in the cost of respective asset if the recognition criteria for a provision are met.

Advances paid towards the acquisition of property, plant and equipment outstanding at each balance sheet date is classified as capital advances under other non-current assets and the cost of assets not put to use before such date are disclosed under 'Capital work-in-progress'. Subsequent expenditures relating to property, plant and equipment is capitalised only when it is probable that future economic benefits associated with these will flow to the company and the cost of the item can be measured reliably.

The cost and related accumulated depreciation are eliminated from the financial statements upon sale or retirement of the asset and the resultant gains or losses are recognised in the Statement of Profit and Loss. Assets to be disposed off are reported at the lower of the carrying value or the fair value less cost to sell.

The Company depreciates property, plant and equipment over their estimated useful lives using the straight-line method. The estimated useful lives of assets are as follows:

Category of assets	Useful life estimated by management
Office equipment's	5 years
Furniture & fixtures	7 years
Computers	3 years

The Company has evaluated the applicability of component accounting as prescribed under Ind AS 16, Property, plant and equipment and has not identified any significant component having different useful lives.

Depreciation methods, useful lives and residual values are reviewed periodically and updated as required, including at each financial year end.

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(c) Impairment of non-financial assets

The Company assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used.

The Company bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the Company's CGUs to which the individual assets are allocated. These budgets and forecast calculations generally cover a period of five years. For longer periods, a long term growth rate is calculated and applied to project future cash flows after the fifth year.

Impairment losses are recognised in the statement of profit and loss, except for properties previously revalued with the revaluation surplus taken to OCI. For such properties, the impairment is recognised in OCI up to the amount of any previous revaluation surplus.

An assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Company estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the statement of profit and loss.

(d) Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

(e) Leases

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

For arrangements entered into prior to April 1, 2016 (date of transition to Ind AS), the Company has determined whether the arrangement contain lease on the basis of facts and circumstances existing on the date of transition.

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Finance Lease

A lease is classified at the inception date as a finance lease or an operating lease. A lease that transfers substantially all the risks and rewards incidental to ownership to the Company is classified as a finance lease. Finance leases are capitalised at the commencement of the lease at fair value of the leased property or, if lower, at the present value of the minimum lease payments, each determined at the inception of the lease. Lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised in finance costs in the Statement of Profit and Loss.

A leased asset is depreciated on a straight-line basis over the useful life of the asset or the useful life, whichever is lower. However, if there is no reasonable certainty that the company will obtain the ownership by the end of the lease term, the capitalised asset is depreciated on a straight-line basis over the shorter of the estimated useful life of the asset.

Operating Lease

Leases in which a significant portion of the risks and rewards of ownership are not transferred to the Company as lessee are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to Statement of Profit and Loss on a straight-line basis over the period of the lease unless the payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases.

(f) Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets

Initial recognition and measurement

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four categories:

(i) Debt instruments at amortised cost;

(ii) Debt instruments at fair value through other comprehensive income (FVTOCI);

(iii) Debt instruments, derivatives and equity instruments at fair value through profit or loss (FVTPL); and

(iv) Equity instruments

Debt instruments at amortised cost

A 'debt instrument' is measured at the amortised cost if both the following conditions are met:

a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows; and

b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the statement of profit or loss. The losses arising from impairment are recognised in the statement of profit and loss. This category generally applies to trade and other receivables.

S.R. Batliboi & Associates LLP Bengaluru

Debt instrument at FVTOCI

A 'debt instrument' is classified as at the FVTOCI if both of the following criteria are met:

a) The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and

b) The asset's contractual cash flows represent SPPI.

Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in the other comprehensive income (OCI). However, the Company recognizes interest income, impairment losses and reversals and foreign exchange gain or loss in the statement of profit or loss. On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to statement of profit or loss. Interest earned whilst holding FVTOCI debt instrument is reported as interest income using the EIR method.

Debt instrument at FVTPL

FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as at FVTPL.

In addition, the Company may elect to designate a debt instrument, which otherwise meets amortized cost or FVTOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch'). The Company has not designated any debt instrument as at FVTPL.

Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the statement of profit or loss.

Equity investments

All equity investments in scope of Ind AS 109, Financial Instruments, are measured at fair value. Equity instruments which are held for trading and contingent consideration recognised by an acquirer in a business combination to which Ind AS 103, Business Combinations, applies are classified as at FVTPL. For all other equity instruments, the Company may make an irrevocable election to present in OCI subsequent changes in the fair value. The Company makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

If the Company decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to statement of profit and loss, even on sale of investment. However, the Company may transfer the cumulative gain or loss within equity.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the statement of profit or loss.

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S. R. Batliboi & Associates LLP
Bengaluru

Derecognition
A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e. removed from the Company's balance sheet) when:
(i) The rights to receive cash flows from the asset have expired, or
(ii) The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

Impairment of financial assets
In accordance with Ind AS 109, Financial Instruments, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss for financial assets.

The Company tracks credit risk and changes thereon for each customer. For recognition of impairment loss on other financial assets and risk exposure, the Company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss.

ECL is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the entity expects to receive (i.e., all cash shortfalls), discounted at the original EIR. When estimating the cash flows, an entity is required to consider:

- All contractual terms of the financial instrument over the expected life of the financial instrument. However, in rare cases when the expected life of the financial instrument cannot be estimated reliably, then the entity is required to use the remaining contractual term of the financial instrument.

- Cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

The Company uses default rate for credit risk to determine impairment loss allowance on portfolio of its trade receivables
ECL impairment loss allowance (or reversal) recognized during the period is recognized as income/ expense in the statement of profit and loss (P&L). This amount is reflected under the head 'other expenses' in the Statement of Profit and Loss. The balance sheet presentation for various financial instruments is described below:

a. Financial assets measured as at amortised cost, contractual revenue receivables and lease receivables: ECL is presented as an allowance, i.e., as an integral part of the measurement of those assets in the balance sheet. The allowance reduces the net carrying amount. Until the asset meets write-off criteria, the Company does not reduce impairment allowance from the gross carrying amount.

b. Loan commitments and financial guarantee contracts: ECL is presented as a provision in the balance sheet, i.e. as a liability.

c. Debt instruments measured at FVTOCI: Since financial assets are already reflected at fair value, impairment allowance is not further reduced from its value. Rather, ECL amount is presented as 'accumulated impairment amount' in the OCI.

Trade receivables
The Company applies approach permitted by Ind AS 109, Financial Instruments, which requires expected lifetime losses to be recognised from initial recognition of receivables.

S.R. Batliboi & Associates LLP Bengaluru

Other financial assets
For recognition of impairment loss on other financial assets and risk exposure, the Company determines whether there has been a significant increase in the credit risk since initial recognition and if credit risk has increased significantly, impairment loss is provided.

Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, or payables, as appropriate.
All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs. The Company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts and financial guarantee contracts.

Subsequent measurement
The measurement of financial liabilities depends on their classification, as described below:

Financial liabilities at fair value through profit or loss
Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109, Financial Instruments.

Gains or losses on liabilities held for trading are recognised in the profit or loss.
Financial liabilities designated upon initial recognition at fair value through profit or loss are designated as such at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own credit risk are recognized in OCI. These gains/ loss are not subsequently transferred to Statement of Profit and Loss. However, the Company may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the statement of profit or loss. The Company has not designated any financial liability as at fair value through profit and loss.

Loans and borrowings
After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in the statement of profit and loss when the liabilities are derecognised as well as through the EIR amortisation process.
Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss. This category generally applies to borrowings.

Derecognition
A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit and loss.

Offsetting of financial instruments
Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

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(g) Revenue recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the Government. The Company has concluded that it is the principal in all of its revenue arrangements since it is the primary obligor in all the revenue arrangements as it has pricing latitude and is also exposed to credit risks.

The specific recognition criteria described

Sale of services
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
Interest income is reported on an accrual basis using the effective interest method and is included under the head "other income" in the Statement of Profit and Loss.

(h) Foreign currencies

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the entity operates (i.e. the "functional currency"). The Company's financial statements are presented in USD, which is also the Company's functional and presentation currency.

Transactions and balances
- Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognised in Statement of Profit and Loss. They are deferred in equity if they relate to qualifying cash flow hedges and qualifying net investment hedges or are attributable to part of the net investment in a foreign operation. A monetary item for which settlement is neither planned nor likely to occur in the foreseeable future is considered as a part of the entity's net investment in that foreign operation.

- Foreign exchange differences regarded as an adjustment to borrowing costs are presented in the Statement of Profit and Loss, within finance costs. All other foreign exchange gains and losses are presented in the Statement of Profit and Loss on a net basis within other gains/(losses).

- Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss.

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(i) Taxes

Income tax expense comprises current and deferred income tax. Current and deferred tax is recognised in the Statement of Profit and Loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

Current income tax for current and prior periods is recognised at the amount expected to be paid to or recovered from the tax authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is recognized on temporary differences at the balance sheet date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes, except when the deferred income tax arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and affects neither accounting nor taxable profit or loss at the time of the transaction.

Deferred income tax assets are recognized for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Deferred income tax assets and liabilities are measured using tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date and are expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect of changes in tax rates on deferred income tax assets and liabilities is recognised as income or expense in the period that includes the enactment or the substantive enactment date. A deferred income tax asset is recognised to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and tax losses can be utilised. The Company offsets current tax assets and current tax liabilities, where it has a legally enforceable right to setoff the recognised amounts and where it intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

(j) Earnings per share (EPS)

Basic EPS are calculated by dividing the net profit or loss for the period attributable to equity shareholders 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 that have changed the number of equity shares outstanding, without a corresponding change in resources.

Diluted EPS amounts are calculated by dividing the profit attributable to equity shareholders of the Company (after adjusting for interest on the convertible preference shares, if any) by the weighted average number of equity shares outstanding during the year plus the weighted average number of equity shares that would be issued on conversion of all the dilutive potential equity shares into equity shares. Dilutive potential equity shares are deemed converted as of the beginning of the period, unless issued at a later date. Dilutive potential equity shares are determined independently for each period presented.

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(k) Provisions

General

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Where the Company expects some or all of a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognized as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the statement of profit or loss net off any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates.

(l) Cash and cash equivalents

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Company's cash management.

(m) Segment accounting policies

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The Company is engaged in the engineering design service, which constitutes single reportable segment.

(n) Fair value measurement

The Company measures financial instruments, such as, derivatives at fair value at each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

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All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:
- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

(o) Use of judgements, estimates and assumptions

The preparation of the financial statements requires Management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

Significant management judgements

The following are significant management judgements in applying the accounting policies of the Company that have the most significant effect on the financial statements.

Classification of leases

The Company enters into leasing arrangements for various assets. The classification of the leasing arrangement as a finance lease or operating lease is based on an assessment of several factors, including, but not limited to, transfer of ownership of leased asset at end of lease term, lessee's option to purchase and estimated certainty of exercise of such option, proportion of lease term to the asset's economic life, proportion of present value of minimum lease payments to fair value of leased asset and extent of specialised nature of the leased asset.

The Company bases its estimates and assumptions on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

Recognition of deferred tax assets

The extent to which deferred tax assets can be recognised is based on an assessment of the probability that future taxable income will be available against which the deductible temporary differences and tax loss carry forward can be utilised. In addition, significant judgement is required in assessing the impact of any legal or economic limits or uncertainties in various tax jurisdictions.

Evaluation of indicators for impairment of assets

The evaluation of applicability of indicators of impairment of assets requires assessment of several external and internal factors which could result in deterioration of recoverable amount of the assets. In assessing impairment, Management estimates the recoverable amount of each asset or cash generating units based on expected future cash flows and uses an interest rate to discount them. Estimation uncertainty relates to assumptions about future operating results and the determination of a suitable discount rate.

Recoverability of advances / receivables

At each balance sheet date, based on historical default rates observed over expected life, the Management assesses the expected credit loss on outstanding receivables and advances.

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Useful lives of depreciable / amortisable assets
Management reviews its estimate of the useful lives of depreciable / amortisable assets at each reporting date, based on the expected utility of the assets. Uncertainties in these estimates relate to technical and economic obsolescence that may change the utility of certain items of property, plant and equipment.

Fair value measurements
Management applies valuation techniques to determine the fair value of financial instruments (where active market quotes are not available) and non-financial assets. This involves developing estimates and assumptions consistent with how market participants would price the instrument. Management bases its assumptions on observable data as far as possible but this is not always available. In that case Management uses the best information available. Estimated fair values may vary from the actual prices that would be achieved in an arm's length transaction at the reporting date.

(p) New and amended standards and interpretations
The Company applied for the first time certain amendments to the standards, which are effective for annual periods beginning on or after April 1, 2017. The nature and the impact of each amendment is described below:

Amendments to Ind AS 7 Statement of Cash
The amendments require entities to provide disclosure of changes in their liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes. The Company has provided the information for both the current and the comparative period in Note 14.

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3 Property, plant and equipment /(PPE)

(USD in Lakhs)

	Computers	Furniture and fixtures	Office equipments*	Total
Cost				
As at April 1, 2016	0.04	0.29	0.01	0.34
Additions	0.07	-	-	0.07
Disposals	-	-	-	-
As at March 31, 2017	**0.11**	**0.29**	**0.01**	**0.41**
Additions	0.14	-	-	0.14
Disposals	0.01	-	-	0.01
As at March 31, 2018	**0.24**	**0.29**	**0.01**	**0.54**
Depreciation				
As at April 1, 2016	-	-	-	-
Charge for the year	0.04	0.09	0.00	0.13
Disposals	-	-	-	-
As at March 31, 2017	**0.04**	**0.09**	**0.00**	**0.13**
Charge for the year	0.06	0.09	-	0.15
Disposals	0.01	-	-	0.01
As at March 31, 2018	**0.09**	**0.18**	**0.00**	**0.27**
Net block				
As at April 1, 2016	**0.04**	**0.29**	**0.01**	**0.34**
As at March 31, 2017	**0.07**	**0.20**	**0.01**	**0.28**
As at March 31, 2018	**0.15**	**0.11**	**0.01**	**0.27**

* Accumulated depreciation balance of Office equipments as at March 31, 2018 is USD 400 (March 31, 2017: USD 360)

Note:

a. Deemed carrying cost

For property, plant and equipment ('PPE') existing as on the date of transition to Ind AS, i.e., April 1, 2016, the Company has used fair value as at April 1, 2016 as deemed cost.

All classes of PPE held by the Company was fair valued as at April 1, 2016 based on an independent valuation carried out on April 16, 2018. The fair value of these class of PPE approximates the carrying value as at April 1, 2016 as per previous GAAP and hence no gain / loss has been recognised.

Fair value of all classes of PPE was determined by using depreciated replacement cost method. Gross current replacement cost of each item of PPE is assessed after considering different factors. According to the specifications and use of the items of PPE , its economical life is estimated and depreciation by straight line method is calculated to arrive at the depreciated replacement cost of PPE. As at the date of fair valuation, the properties' fair values are based on valuations performed by J R S & Co, Chartered Accountants who has relevant valuation experience for similar office properties in India.

b. Contractual obligations

There are no contractual commitments for the acquisition of property, plant and equipment.

c. Capitalised borrowing cost

There is no borrowing costs capitalised during the year ended March 31, 2018 (March 31, 2017: Nil; April 1, 2016: Nil).

d. Property, plant and equipment pledged as security

Details of properties pledged are as per Note 14.

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(USD in Lakhs)

4 Investments	**March 31, 2018**	**March 31, 2017**	**April 1, 2016**
Investment carried at cost			
Trade (unquoted, valued at cost)			
Investments in equity instrument of subsidiary:			
AXISCADES UK Limited 575,476 equity shares of GBP 1 each (March 31, 2017 : 575,476; April 1, 2016: 575,476)	11.49	11.49	11.49
	11.49	**11.49**	**11.49**

(USD in Lakhs)

5 Non-current tax assets (net)	**March 31, 2018**	**March 31, 2017**	**April 1, 2016**
Advance income taxes, net of provision for tax USD 1,408; (March 31, 2017: USD 1,408; April 1, 2016: USD 1,408)	0.40	0.40	0.40
	0.40	**0.40**	**0.40**

(USD in Lakhs)

6 Loans (Unsecured, considered good)	**March 31, 2018**	**March 31, 2017**	**April 1, 2016**
Current			
Advances to related parties (refer note 26)	4.34	1.67	3.06
Security deposits	0.05	0.08	0.02
	4.39	**1.75**	**3.08**

(USD in Lakhs)

7 Trade receivables	**March 31, 2018**	**March 31, 2017**	**April 1, 2016**
Current			
Trade receivable	63.72	30.57	23.75
	63.72	**30.57**	**23.75**
Break up of trade receivables:			
Unsecured, considered good	50.09	30.57	23.75
Unsecured, considered doubtful	13.63	-	-
	63.72	**30.57**	**23.75**
Allowance for expected credit loss			
Unsecured, considered good	-	-	-
Unsecured, considered doubtful	13.63	-	-
	13.63	**-**	**-**
	50.09	**30.57**	**23.75**

No trades or other receivables are due from directors or other officers of the Company either severally or jointly with any other person. Also refer note 26 for related party disclosure.

(USD in Lakhs)

8 Cash and cash equivalents	**March 31, 2018**	**March 31, 2017**	**April 1, 2016**
Cash on hand (March 31, 2018: USD 21; March 31, 2017: USD 21; April 1, 2016: USD 21)	0.00	0.00	0.00
	0.00	**0.00**	**0.00**

For the purpose of statement of cash flows, cash and cash equivalents comprises the following:

(USD in Lakhs)

	March 31, 2018	**March 31, 2017**	**April 1, 2016**
Cash on hand (March 31, 2018: USD 21; March 31, 2017: USD 21; April 1, 2016: USD 21)	0.00	0.00	0.00
Less: Bank overdraft (refer note 16)	(0.83)	(1.31)	(1.59)
Cash and cash equivalents reported in cash flow statements	**(0.83)**	**(1.31)**	**(1.59)**

(USD in Lakhs)

9 Other financial assets (Unsecured, considered good)	**March 31, 2018**	**March 31, 2017**	**April 1, 2016**
Current			
Unbilled revenue	7.40	12.11	4.40
	7.40	**12.11**	**4.40**

(USD in Lakhs)

10 Other current assets (Unsecured, considered good)	**March 31, 2018**	**March 31, 2017**	**April 1, 2016**
Prepaid expenses	1.04	1.29	1.00
Deposit with immigration authorities	0.15	0.39	0.14
Advance to employees	0.11	0.73	0.13
Recoverable from customer	-	-	0.04
	1.30	**2.41**	**1.31**

(USD in Lakhs)

Breakup of financial assets carried at amortised cost	**March 31, 2018**	**March 31, 2017**	**April 1, 2016**
Loans (refer note 6)	4.39	1.75	3.08
Trade receivables (refer note 7)	50.09	30.57	23.75
Cash and cash equivalents (refer note 8)	0.00	0.00	0.00
Other financial assets (refer note 9)	7.40	12.11	4.40
Total financial assets carried at amortised cost	**61.88**	**44.43**	**31.23**

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(USD in Lakhs)

11 Equity share capital	March 31, 2018		March 31, 2017		April 1, 2016	
	Number	Amount	Number	Amount	Number	Amount
Authorised share capital						
Equity shares with no par value, fully paid up	19,725	22.47	19,725	22.47	19,725	22.47
	19,725	**22.47**	**19,725**	**22.47**	**19,725**	**22.47**
Issued, subscribed and paid-up share capital						
Equity shares with no par value, fully paid up	19,725	22.47	19,725	22.47	19,725	22.47
	19,725	**22.47**	**19,725**	**22.47**	**19,725**	**22.47**

a. Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the reporting period:

(USD in Lakhs)

	March 31, 2018		March 31, 2017		April 1, 2016	
	Number	Amount	Number	Amount	Number	Amount
Equity shares with no par value, fully paid up						
At the beginning of the year	19,725	22.47	19,725	22.47	19,725	22.47
Add: Issued and subscribed during the year	-	-	-	-	-	-
Outstanding at the end of the year	**19,725**	**22.47**	**19,725**	**22.47**	**19,725**	**22.47**

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 United States Dollars ('USD').

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. Details of shares held by the holding company

(USD in Lakhs)

	March 31, 2018		March 31, 2017		April 1, 2016	
	Number	Amount	Number	Amount	Number	Amount
AXISCADES Engineering Technologies Limited, holding company	19,725	22.47	19,725	22.47	19,725	22.47

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

(USD in Lakhs)

	March 31, 2018		March 31, 2017		April 1, 2016	
	Number	Percentage	Number	Percentage	Number	Percentage
AXISCADES Engineering Technologies Limited, holding company	19,725	100%	19,725	100%	19,725	100%

e. In the period of five years immediately preceding the Balance Sheet date, the Company has not issued any shares pursuant to contract without payment being received in cash or any bonus shares or has bought back any shares.

12 Other equity

(USD in Lakhs)

	March 31, 2018	March 31, 2017	April 1, 2016
Surplus in the Statement of Profit and Loss			
Balance at the beginning of the year	2.14	6.59	10.17
Add: Loss for the year	(14.86)	(4.45)	(3.58)
Balance at the end of the year	**(12.72)**	**2.14**	**6.59**

(USD in Lakhs)

13 Deferred tax liability, net	March 31, 2018	March 31, 2017	April 1, 2016
Deferred tax liability on depreciation	0.02	0.02	0.02
	0.02	**0.02**	**0.02**

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14 Borrowings

(USD in Lakhs)

	March 31, 2018	March 31, 2017	April 1, 2016
Current			
Secured			
Loan repayable on demand (from bank)			
Working capital loan (secured) (refer note (i) below)	11.47	6.21	4.41
Unsecured			
Loans from related party (unsecured) (refer note (ii) below)	19.15	5.00	-
	30.62	**11.21**	**4.41**

(i) The working capital loan carries effective interest of LIBOR plus 2.75% p.a. (March 31, 2017 : LIBOR plus 2.75% p.a; April 1, 2016 : LIBOR plus 2.75%). The loan is repayable within one year from the date of availment. The working capital loan is secured by all the assets of the Company, of every kind and nature, now existing and hereafter acquired and arising and wherever located, including without limitation, accounts (including health care insurance receivable and Credit card receivables), Deposit accounts, Commercial Trot Claims, Letter of Credit Rights, Chattel papers (including Electronic Chattel paper), Documents, Instruments, Investment Property, General Intangibles (including Payment Intangibles), Software Goods, inventory, Equipment, Furniture & Fixtures, all supporting's obligations of the forgoing and all cash and non-cash proceeds and Products (including without limitation insurance proceeds) of the forgoing, and all the additions and accessions thereto, Substitution therefore and replacements thereof.

(ii) The Company has availed inter-corporate deposits ('ICD') from AXISCADES Technology Canada Inc, fellow subsidiary of the Company aggregating USD 19.15 lakhs (March 31, 2017 : USD 5 lakhs ; April 1, 2016 : USD Nil lakhs). The ICD carries an interest rate of 4% per annum (March 31, 2017 : 4% per annum) and is repayable on demand. Also refer note 26 for related party disclosures.

Changes in liabilities arising from financing activities

(USD in Lakhs)

Particulars	April 1, 2017	Cash flows	Changes in fair	Others	March 31, 2018
Current borrowing	11.21	19.41	-	-	30.62
Total liabilities from financing activities	**11.21**	**19.41**	-	-	**30.62**

(USD in Lakhs)

	April 1, 2016	Cash flows	Changes in fair	Others	March 31, 2017
Current borrowing	4.41	6.80	-	-	11.21
Total liabilities from financing activities	**4.41**	**6.80**	-	-	**11.21**

15 Trade payables

(USD in Lakhs)

	March 31, 2018	March 31, 2017	April 1, 2016
Current			
Dues to related parties (refer note 26)	26.23	6.16	4.85
Dues to others	2.35	11.09	1.30
	28.57	**17.25**	**6.15**

16 Other financial liabilities

(USD in Lakhs)

	March 31, 2018	March 31, 2017	April 1, 2016
Current			
Bank overdraft	0.83	1.31	1.59
Interest accrued	0.19	0.12	-
Dues to employees	4.61	3.66	3.20
	5.63	**5.09**	**4.79**

17 Provisions

(USD in Lakhs)

	March 31, 2018	March 31, 2017	April 1, 2016
Current			
Provision for lease payments	-	0.03	0.07
	-	**0.03**	**0.07**

18 Other current liabilities

(USD in Lakhs)

	March 31, 2018	March 31, 2017	April 1, 2016
Current			
Advance from customers	0.26	0.17	-
Duties and taxes payable	0.32	0.30	0.27
Unearned revenue	0.17	0.33	-
	0.75	**0.80**	**0.27**

Breakup of financial liabilities carried at amortised cost

(USD in Lakhs)

	March 31, 2018	March 31, 2017	April 1, 2016
Borrowings (refer note 14)	30.62	11.21	4.41
Trade payables (refer note 15)	28.57	17.25	6.15
Other financial liabilities (refer note 16)	5.63	5.09	4.79
Total financial liabilities carried at amortised cost	**64.82**	**33.55**	**15.35**

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19 Revenue from operations	March 31, 2018	March 31, 2017
		(USD in Lakhs)
Sale of services		
IT enabled services	215.91	162.15
	215.91	**162.15**

20 Other income	March 31, 2018	March 31, 2017
		(USD in Lakhs)
Miscellaneous income (March 31, 2018 : USD 218; March 31, 2017 : USD 103)	0.00	0.00
Profit on sale of assets (March 31, 2018 : USD 460; March 31, 2017 : Nil)	0.00	-
	0.00	**0.00**

21 Employee benefits expense	March 31, 2018	March 31, 2017
		(USD in Lakhs)
Salaries, wages and bonus *	111.24	89.61
Contribution to social security	8.84	7.25
Staff welfare	5.33	5.30
	125.41	**102.16**

*Net-off cross charge received aggregating USD 3.29 lakhs (March 31, 2017: USD 4.46 lakhs).

22 Other expenses	March 31, 2018	March 31, 2017
		(USD in Lakhs)
Software subscription charges*	1.52	1.13
Sub-contracting charges**	72.87	47.94
Legal and professional charges	4.13	3.03
Payment to auditors***	0.11	0.11
Travelling and conveyance	3.72	4.53
Rent	1.45	1.27
Equipment hire charges	-	0.06
Recruitment and training expenses	0.80	1.09
Insurance expenses	0.68	1.01
Communication expenses	0.57	0.61
Postage and courier charges	0.14	0.05
Repairs and maintenance		
- Buildings	0.23	0.18
Advertising and marketing expenses	3.70	2.66
Electricity charges	0.12	0.14
Rates and taxes	0.02	0.03
Bad debt written-off	0.10	-
Allowance for expected credit loss	13.63	-
Bank charges	0.12	0.07
Miscellaneous expenses	0.19	0.14
	104.10	**64.05**

*Net-off cross charge received aggregating USD 1.82 lakhs (March 31, 2017: USD 1.94 lakhs).
**Net-off cross charge received aggregating USD 27.77 lakhs (March 31, 2017: USD 24.78 lakhs).

***Payment to auditors	March 31, 2018	March 31, 2017
		(USD in Lakhs)
As auditor		
Audit fees	0.11	0.11
	0.11	**0.11**

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23 Depreciation expenses		(USD in Lakhs)
	March 31, 2018	**March 31, 2017**
Depreciation of tangible assets (refer note 3)	0.15	0.13
	0.15	**0.13**

24 Finance cost		(USD in Lakhs)
	March 31, 2018	**March 31, 2017**
Interest on loans from bank	0.55	0.14
Interest on Inter-corporate deposit	0.56	0.12
	1.11	**0.26**

25 Earnings per share (EPS)

	March 31, 2018	**March 31, 2017**
The following reflects the income and share data use in basic and diluted EPS computation		
a) Profits/(Loss) after tax attributable to equity shares (USD in Lakhs)	(14.86)	(4.45)
b) Total number of equity shares at the end of the year (in numbers)	19,725	19,725
c) Weighted average number of shares outstanding for computation of basic and diluted EPS (in numbers)	19,725	19,725
e) Earnings per share (in USD)	(75.34)	(22.56)

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26 Related party disclosures

i. Name of related party where control exists irrespective of whether transaction have occurred or not :

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

ii. Name of other related parties as per Ind AS 24 with whom transaction have taken place during the year :

Nature of relationship	Name of party
Fellow Subsidiary	AXISCADES Technology Canada Inc. (formerly known as Cades Technology Canada Inc.)

iii. Key management personnel

Director and CEO	Mr. Srinivasulu Reddy Pulikam

iv. Transactions with above related parties during the year :

(USD in Lakhs)

Name of Related Party	Nature of Transaction	March 31, 2018	March 31, 2017
AXISCADES Engineering Technologies Limited	Software subscription cross charges	1.82	1.94
Holding company	Books and periodicals expense charged by	-	0.01
	Employee benefit expense crossed charged	3.29	4.46
	Reimbursement of expense	0.16	0.21
	Sub-contracting charges	27.77	24.78
AXISCADES Technology Canada Inc.	Employee benefit expense crossed charged	0.55	0.47
Fellow subsidiary	Inter-corporate deposit received	19.15	5.00
	Inter-corporate deposit repaid	5.00	-
	Interest expense	0.56	0.12
Mr. Srinivasulu Reddy Pulikam	Remuneration (refer note a below)	3.34	1.67

Note (a): Includes USD 1.59 lakhs (March 31, 2017 : USD 0.71 lakhs) being amount of employee benefits expense cross-charged to AXISCADES Engineering Technologies Limited.

v Balances as at the year end

(USD in Lakhs)

Name of Related Party	Nature of balance	March 31, 2018	March 31, 2017	April 1, 2017
AXISCADES Engineering Technologies Limited	Trade payables	26.23	6.16	4.85
	Other receivables	4.34	1.36	2.90
AXISCADES Technology Canada Inc.	Other receivables	-	0.31	0.16
	Inter-corporate deposit payable	19.15	5.00	
	Other current liabilities	0.19	0.12	0.12
AXISCADES UK Limited	Investment	11.49	11.49	11.49
Mr. Srinivasulu Reddy Pulikam	Remuneration payable	0.19	0.06	0.06

Terms and conditions of transactions with related parties

The sales to and purchases from related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured and interest free and settlement occurs in cash. There have been no guarantees provided or received for any related party receivables or payables. For the year ended March 31, 2018, the Company has not recorded any impairment of receivables relating to amounts owed by related parties (March 31, 2017: USD Nil; April 1, 2016: Nil). This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

27 Segment information

The Board of Directors of the Company has been identified as the Chief Operating Decision Maker (CODM) as defined by Ind AS 108, Operating Segments. The CODM evaluates the Company's performance and allocates resources based on an analysis of engineering design services.

The Company is primarily engaged in a single segment (business and geographical) and earns the revenue primarily from sources within United State of America. As the Company's business activity primarily falls within a single business and geographical segment, there are no additional disclosures to be provided in terms of Ind AS 108 on 'Operating Segments'.

28 Income taxes

The major components of income tax expenses for the year ended March 31, 2018 are:	March 31,2018	March 31,2017
Current income tax		
- Current income tax charges	-	-
Deferred tax charge/ (credit)		
- Relating to the origination and reversal of temporary differences	-	-
Income tax expenses reported in the statement of	-	-
OCI section		
Deferred tax related to items recognised in other comprehensive income during the year	-	-

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1 **Reconciliation of deferred tax liability**	**March 31,2018**	**March 31,2017**
Opening balance	**0.02**	**0.02**
Tax credit during the year recognised in statement of profit and loss	-	-
Tax expenses during the year recognised in OCI	-	-
Closing balance	**0.02**	**0.02**

2 Reconciliation of tax expenses and the accounting profit multiplied by India's domestic tax rate

Accounting profit before tax and exceptional items	**March 31,2018**	**March 31,2017**
Tax on accounting profit at statutory income tax rate [40.21%]	(14.86)	(4.45)
Reconciling items:		
Deferred tax assets not created due to lack of convincing evidence	(5.98)	(1.79)
Income tax expenses considered in the statement of profit and loss.	5.98	1.79
	-	-

29 Leasing arrangement

Company as a lessee

The rent expenses includes rental payment towards office premises. The lease is for a period of 2 years with an option to renew at the end of initial lease term. Lease rent expenses debited to statement of profit and loss account is USD 1.45 lakhs (previous year: USD 1.27 lakhs).

Future minimum rentals payable under non-cancellable operating leases are as follows :	**March 31, 2018**	**March 31, 2017**	**April 1, 2016**
Not later than one year	1.40	-	-
Later than one year not later than five years	0.23	-	-
Later than five years	-	-	-
	1.63	-	-

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30 Fair value measurements

(i) Financial instruments by category

The carrying value and fair value of financial instruments by categories as of March 31, 2018, March 31, 2017 and April 1, 2016 are as follows:

(USD in Lakhs)

Particulars	Carrying Value			Fair Value		
	March 31,2018	March 31,2017	April 1,2016	March 31,2018	March 31,2017	April 1,2016
Financial Assets at amortised cost						
Assets:						
Cash and cash equivalents (refer note 8)	0.00	0.00	0.00	0.00	0.00	0.00
Trade receivables (refer note 7)	50.09	30.57	23.75	50.09	30.57	23.75
Loans (refer note 6)	4.39	1.75	3.08	4.39	1.75	3.08
Other financial assets (refer note 9)	7.40	12.11	4.40	7.40	12.11	4.40
Total	**61.88**	**44.43**	**31.23**	**61.88**	**44.43**	**31.23**
Liabilities:						
Borrowings (refer note 14)	30.62	11.21	4.41	30.62	11.21	4.41
Trade payable (refer note 15)	28.57	17.25	6.15	28.57	17.25	6.15
Other financial liabilities (refer note 16)	5.63	5.09	4.79	5.63	5.09	4.79
Total	**64.82**	**33.55**	**15.35**	**64.82**	**33.55**	**15.35**

The management assessed that the fair value of cash and cash equivalents, trade receivables, loans, other financial assets, trade payables and other financial liabilities, as applicable approximate the carrying amount largely due to short-term maturity of these instruments.

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

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30 Fair value measurements (continued)

(ii) Fair value hierarchy

Financial assets and financial liabilities measured at fair value in the statement of financial position are grouped into three levels of a fair value hierarchy. The three levels are defined based on the observability of significant inputs to the measurement, as follows:

Level 1: Quoted prices (unadjusted) in active markets for financial instruments.

Level 2: The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximise the use of observable market data rely as little as possible on entity specific estimates.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

The following table provides fair value measurement hirarchy of financial assets and liabilities of the Company as at March 31, 2018, March 31, 2017 and April 1, 2016:

Quantative disclosure fair value measurement hierarchy as at March 31, 2018

(USD in Lakhs)

Particulars	Date of Valuation	Carrying value	Quoated price in active market (Level 1)	Significant observable input (Level 2)	Significant unobservable inputs (Level 3)
Assets carried at amortised cost and cost for which fair values are disclosed					
Investment in subsidiary (refer note 4)	March 31, 2018	11.49	-	-	11.49
Loans (refer note 6)	March 31, 2018	4.39	-	-	4.39
Trade receivable (refer note 7)	March 31, 2018	50.09	-	-	50.09
Cash and cash equivalents (refer note 8)	March 31, 2018	0.00	-	-	0.00
Other financial assets (refer note 9)	March 31, 2018	7.40	-	-	7.40
Liabilities carried at amortised cost for which fair value are disclosed					
Borrowings (refer note 14)	March 31, 2018	30.62	-	-	30.62
Trade payables (refer note 15)	March 31, 2018	28.57	-	-	28.57
Other financial liabilities (refer note 16)	March 31, 2018	5.63	-	-	5.63

There have been no transafer among level 1 , Level 2 and level 3 during the year.

Quantative disclosure fair value measurement hierarchy as at March 31, 2017

(USD in Lakhs)

Particulars	Date of Valuation	Carrying value	Quoated price in active market (Level 1)	Significant observable input (Level 2)	Significant unobservable inputs (Level 3)
Assets carried at amortised cost and cost for which fair values are disclosed					
Investment in subsidiary (refer note 4)	March 31, 2017	11.49	-	-	11.49
Loans (refer note 6)	March 31, 2017	1.75	-	-	1.75
Trade receivable (refer note 7)	March 31, 2017	30.57	-	-	30.57
Cash and cash equivalents (refer note 8)	March 31, 2017	0.00	-	-	0.00
Other financial assets (refer note 9)	March 31, 2017	12.11	-	-	12.11
Liabilities carried at amortised cost for which fair value are disclosed					
Borrowings (refer note 14)	March 31, 2017	11.21	-	-	11.21
Trade payables (refer note 15)	March 31, 2017	17.25	-	-	17.25
Other financial liabilities (refer note 16)	March 31, 2017	5.09	-	-	5.09

There have been no transafer among level 1 , Level 2 and level 3 during the year.

Quantative disclosure fair value measurement hierarchy as at April 1, 2016

(USD in Lakhs)

Particulars	Date of Valuation	Carrying value	Quoated price in active market (Level 1)	Significant observable input (Level 2)	Significant unobservable inputs (Level 3)
Assets carried at amortised cost and cost for which fair values are disclosed					
Investment in subsidiary (refer note 4)	April 1, 2016	11.49	-	-	11.49
Loans (refer note 6)	April 1, 2016	3.08	-	-	3.08
Trade receivable (refer note 7)	April 1, 2016	23.75	-	-	23.75
Cash and cash equivalents (refer note 8)	April 1, 2016	0.00	-	-	0.00
Other financial assets (refer note 9)	April 1, 2016	4.40	-	-	4.40
Liabilities carried at amortised cost for which fair value are disclosed					
Borrowings (refer note 14)	April 1, 2016	4.41	-	-	4.41
Trade payables (refer note 15)	April 1, 2016	6.15	-	-	6.15
Other financial liabilities (refer note 16)	April 1, 2016	4.79	-	-	4.79

There have been no transafer among level 1 , Level 2 and level 3 during the year.

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31 Capital management

For the purpose of the Company's capital managemnet, capital includes issued capital, additional paid in capital and all equity reserves attributable to the equity shareholders of the Company. The primary objective of the Company's capital managemnet is to maximise the shareholders value.

In order to achieve this overall objective, the Company's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirement. Breaches in meeting the financial covenants would permit the bank to immediately call loans and borrowings. There have been no breaches in the financial covenants of any interest-bearing loans and borrowings as at year end.

The Company manages its capital structure and makes adjustments, in light of the changes in economic conditions or business requirements. The Company monitors capital using a gearing ratio which is net debt divided by total equity plus net debt as shown below.
- Net debt includes borrowings (long term and short term) less cash and cash equivalents and
- Total equity comprises of issued share capital and all other equity components attributable to equity share holders

The Company's policy is to keep the gearing ratio below 30%.

(USD in Lakhs)

Particulars	March 31,2018	March 31,2017	April 1,2016
Borrowings (refer note 14)	30.62	11.21	4.41
Bank overdraft (refer note 16)	0.83	1.31	1.59
Less: Cash and cash equivalents (refer note 8)	(0.00)	(0.00)	(0.00)
Net Debt (A)	**31.45**	**12.52**	**6.00**
Equity share capital (refer note 11)	22.47	22.47	22.47
Other equity (refer note 12)	(12.72)	2.14	6.58785
Total capital (B)	**9.75**	**24.61**	**29.06**
Capital and net debt (C= A+B)	**41.20**	**37.13**	**35.06**
Gearing Ratio (D = A/C)	76.33%	33.72%	17.11%

No changes were made in the objectives, policies or processes for managing capital during the year ended March 31, 2018.

32 Financial risk management

The Company's principal financial liabilities comprise loans and borrowings & trade and other payables. The main purpose of these financial liabilities is to finance the Company's operations. The Comapny's principal financial assets include loans, trade and other receivables and cash and cash equivalents that derive directly from its operations.

The Company's activities expose it to a variety of financial risks: market risk, credit risk and liquidity risk. The Company's focus is to foresee the unpredictability of financial markets and seek to minimize potential adverse effects on it's financial performance. The Company's exposure to credit risk is influenced mainly by the individual characteristic of the customer.

(A) Credit risk

Credit risk from balances with banks is managed in accordance with the Company's policy. The Company's maximum exposure to credit risk for the components as at the Balance sheet date are the carrying amounts as furnished in Note 8. Credit risk on cash and cash equivalents is limited as the Company generally invest in deposits with banks with high credit ratings as signed by international and domestic credit rating agencies.

(USD in Lakhs)

Assets under credit risk:	March 31,2018	March 31,2017	April 1,2016
Cash and cash equivalents	0.00	0.00	0.00
Trade receivable	50.09	30.57	23.75
Loans	4.39	1.75	3.08
Other financial assets	7.40	12.11	4.40
Total	**61.88**	**44.42**	**31.23**

Credit risk exposure

The allowance for life time expected credit loss on customer balances for the year ended March 31, 2018 was USD 13.63 lakhs [March 31, 2017 and April 1, 2016 : USD Nil]. The reversal for lifetime expected credit loss on customer balances for the year ended March 31, 2018 was USD Nil [31 March 2017 : USD Nil].

(USD in Lakhs)

Particulars	March 31,2018	March 31,2017	April 1,2016
Balance at the beginning	-	-	-
Impairment loss recognised	13.63	-	-
Impairment loss reversed	-	-	-
Balance at the end	**13.63**	-	-

Credit risk on cash and cash equivalents is limited as the Company generally invest in deposits with banks with high credit ratings as signed by international and domestic credit rating agencies.

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Financial assets that are neither past due nor impaired

Cash and cash equivalents, advances to subsidiary, loans and advances to employees, security deposit, other financial assets and unbilled revenue are neither past due nor impaired.

(i) Trade receivables

Customer credit risk is managed by the Company's established policy, procedures and control relating to customer credit risk management. Outstanding customer receivables are regularly monitored and credit quality of a customer is assessed and individual credit limits are defined in accordance with this assessment.

The maximum exposure to credit risk at the reporting date is the carrying value of trade and other receivables as disclosed in note 5, 6 and 8. The allowance for impairment in respect of trade and other receivables for the year ended March 31, 2018 : USD 13.13 lakhs (March 31, 2017: USD Nil; April 1, 2016: USD Nil).

(ii) Financial instruments and deposits

Credit risk on cash and cash equivalents and inter-company deposits is limited as the Company generally transacts with banks and financial institutions with high credit ratings assigned by international and domestic credit rating agencies and its own subsidiaries. Investments of surplus funds, temporarily, are made only with approved counterparties, mainly mutual funds, who meet the minimum threshold requirements under the counterparty risk assessment process. The Company's maximum exposure for financial guarantees is given in Note 33.

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32 Financial risk management (cont'd)

(B) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset.

The Company's principal sources of liquidity are cash and cash equivalents and the cash flow that is generated from operations. The Company believes that the working capital is sufficient to meet its current requirements. Accordingly, no liquidity risk is perceived. As of March 31, 2018, the Company had a working capital of USD (2.39) lakhs including cash and cash equivalents of USD 0.00021 lakhs. As of March 31, 2017, the Company had a working capital of USD 12.46 lakhs including cash and cash equivalents of USD 0.00021 lakhs. As of April 1, 2016, the Company had a working capital of USD 16.85 lakhs including cash and cash equivalents of USD 0.00021 lakhs. Accordingly, no liquidity risk is perceived.

The table below summarises the maturity profile of the Company's financial liabilities based on contractual undiscounted payments.

(USD in Lakhs)

As at March 31, 2018	Less than 1 year	1 year to 5 years	More than 5 years	Total
Borrowings	30.62	-	-	30.62
Trade payables	28.57	-	-	28.57
Bank overdraft	0.83	-	-	0.83
Dues to employees	4.61	-	-	4.61
Interest accrued	0.19	-	-	0.19
Total	64.82	-	-	64.82

(USD in Lakhs)

As at March 31, 2017	Less than 1 year	1 year to 5 years	More than 5 years	Total
Borrowings	11.21	-	-	11.21
Trade payables	17.25	-	-	17.25
Bank overdraft	1.31	-	-	1.31
Dues to employees	3.66	-	-	3.66
Interest accrued	0.12	-	-	0.12
Total	33.55	-	-	33.55

(USD in Lakhs)

As at April 1, 2016	Less than 1 year	1 year to 5 years	More than 5 years	Total
Borrowings	4.41	-	-	4.41
Trade payables	6.15	-	-	6.15
Bank overdraft	1.59	-	-	1.59
Dues to employees	3.20	-	-	3.20
Total	15.35	-	-	15.35

(C) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprise interest rate risk, currency risk etc. The Company is not exposed to currency risks as the Company has no outstanding receivebales/ payables in foreign currency.

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's main interest rate risk arises from borrowings with variable rates, which expose the Company to cash flow interest rate risk. During March 31, 2018, the Company's borrowings at variable rate were mainly denominated in USD.

The Company's fixed rate borrowings are carried at amortised cost. They are therefore not subject to interest rate risk as defined in Ind AS 107, Financial Instruments - Disclosures, since neither the carrying amount nor the future cashflows will fluctuate beacuse of a change in market interest rates.

Interest rate risk

The exposure of the Company's borrowing to interest rate changes at the end of the reporting period are as follows:

(USD in Lakhs)

Particulars	March 31, 2018	March 31, 2017	April 1, 2016
Variable rate borrowing	11.47	6.21	4.41
Fixed rate borrowing	19.15	5.00	-
	30.62	**11.21**	**4.41**

Sensitivity

Profit or loss is sensitive to higher/lower interest expense from borrowings as a result of changes in interest rates.

	March 31, 2018	March 31, 2017
Interest rates – increase by 50 basis points	0.07	0.02
Interest rates – decrease by 50 basis points	(0.07)	(0.02)

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33 First time adoption of Ind AS

These financial statements, for the year ended 31 March 2018, are the first financial statements the Company has prepared in accordance with Ind AS. For periods up to and including the year ended 31 March 2017, the Company prepared its financial statements prepared in accordance with the accounting standards issued by the Institute of Chartered Accountants of India (ICAI) and other generally accepted accounting principles in India ('Previous GAAP').

Accordingly, the Company has prepared financial statements which comply with Ind AS applicable for periods ended on March 31, 2018, together with the comparative period data as at and for the year ended March 31, 2017, as described in the summary of significant accounting policies. In preparing these financial statements, the Company's opening balance sheet was prepared as at April 1, 2016, the Company's date of transition to Ind AS. This note explains the principal adjustments made by the Company in restating its Indian GAAP financial statements, including the balance sheet as at April 1, 2016 and the financial statements as at and for the year ended March 31, 2017.

(A) Ind AS optional exemptions

1. Deemed cost for property, plant and equipment and intangible assets

Ind AS 101, First-time Adoption of Indian Accounting Standards, permits a first-time adopter to elect to fair value all of its property, plant and equipment and use that as its deemed cost as at the date of transition after making necessary adjustments for de-commissioning liabilities. Ind AS 101, First-time adoption of Indian Accounting Standards, also permits a first-time adopter to elect to continue with the carrying value for all of its property, plant and equipment as recognised in the financial statements as at the date of transition to Ind AS, measured as per the previous GAAP and use that as its deemed cost as on the date of transition after making necessary adjustments for de-commissioning liabilities. This exemption can also be used for intangible assets covered by Ind AS 38, Intangible Assets. Accordingly, the Group has elected to measure all of its property, plant and equipment at their fair value as at the transition date and use that as deemed cost as on the date of transition.

2. Deemed cost for investments in subsidiaries

Ind AS 101 First-time Adoption of Indian Accounting Standards, permits a first-time adopter to elect to continue with the carrying value for investments in subsidiaries as at the date of transition to Ind AS, measured as per the previous GAAP and use that as its deemed cost as at the date of transition. Accordingly, the Company has elected to measure its investments in subsidiaries in the financial statements at their previous GAAP carrying value.

3. Lease

Appendix C to Ind AS 17 - Leases, requires an entity to assess whether a contract or arrangement contains a lease. In accordance with Ind AS 17 - Leases, this assessment should be carried out at the inception of the contract or arrangement. Ind AS 101 - First-time adoption of Indian Accounting Standards, provides an option to make this assessment on the basis of facts and circumstances existing at the date of transition to Ind AS, except where the effect is expected to be not material.

The Company has elected to apply this exemption for such contracts/arrangements.

(B) Ind AS mandatory exemptions

1. Estimates

An entity's estimates in accordance with Ind AS at the date of transition to Ind AS shall be consistent with estimates made for the same date in accordance with previous GAAP (after adjustments to reflect any difference in accounting policies), unless there is objective evidence that those estimates were in error.

Ind AS estimates as at April 1, 2016 are consistent with the estimates as at the same date made in conformity with previous GAAP except for impairment of financial assets based on ECL on the date of transition as there were not required as per previous GAAP.

Ind AS estimates as at April 1, 2016 are consistent with the estimates as at the same date made in conformity with previous GAAP.

2. Classification and measurement of financial assets and liabilities

The classification and measurement of financial assets and liabilities will be made considering whether the conditions as per Ind AS 109 are met based on facts and circumstances existing at the date of transition.

Financial assets can be measured using effective interest method by assessing its contractual cash flow characteristics only on the basis of facts and circumstances existing at the date of transition and if it is impracticable to assess elements of modified time value of money i.e. the use of effective interest method, fair value of financial asset at the date of transition shall be the new carrying amount of that asset. The measurement exemption applies for financial liabilities as well.

Applying a requirement is impracticable when the entity cannot apply it after making every reasonable effort to do so. It is impracticable to apply the changes retrospectively if:

a) The effects of the retrospective application or retrospective restatement are not determinable;
b) The retrospective application or restatement requires assumptions about what management's intent would have been in that period;
c) The retrospective application or retrospective restatement requires significant estimates of amounts and it is impossible to distinguish objectively information about those estimates that existed at that time.

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3. De-recognition of financial assets and liabilities

Ind AS 101 First-time Adoption of Indian Accounting Standards, requires a first-time adopter to apply the de-recognition provisions of Ind AS 109, Financial Instruments, prospectively for transactions occurring on or after the date of transition to Ind AS. However, Ind AS 101 First-time Adoption of Indian Accounting Standards, allows a first-time adopter to apply the de-recognition requirements in Ind AS 109, Financial Instruments, retrospectively from a date of the entity's choosing, provided that the information needed to apply Ind AS 109, Financial Instruments, to financial assets and financial liabilities derecognised as a result of past transactions was obtained at the time of initially accounting for those transactions.

The Company has elected to apply the de-recognition provisions of Ind AS 109, Financial Instruments, prospectively from the date of transition to Ind AS.

The Company has also prepared a reconciliation of equity as at March 31, 2017 and April 1, 2016 under the previous GAAP with the equity as reported in these financial statements under Ind AS, that reflect the impact of Ind AS on the components of statement of Balance sheet which is presented below:

		(USD in Lakhs)
	March 31, 2017	**April 1, 2016**
Equity as per previous GAAP	24.61	29.06
Ind AS Adjustments:	-	-
Equity as per Ind AS	**24.61**	**29.06**

C Reconciliations between previous GAAP and Ind AS

Ind AS 101 requires an entity to reconcile equity, total comprehensive income and cash flows for prior periods. The following tables represent the reconciliations from previous GAAP to Ind AS.

1. Reconciliation of equity as at April 1, 2016 (date of transition to Ind AS)

	Notes	Indian GAAP *	Ind AS adjustments	Ind AS (USD in Lakhs)
Assets				
Non-current assets				
Property, plant and equipment		0.34	-	0.34
Financial assets				
Investments		11.49	-	11.49
Non-current tax asset, net		0.40	-	0.40
		12.23	-	**12.23**
Current assets				
Financial assets				
Trade receivables		23.75	-	23.75
Cash and cash equivalents		0.00	-	0.00
Loans		3.08	-	3.08
Other financial assets		4.40	-	4.40
Other current assets		1.31	-	1.31
		32.54	-	**32.54**
Total assets		**44.77**	-	**44.77**
Equity and liablities				
Equity				
Equity share capital		22.47	-	22.47
Other equity		6.59	-	6.59
		29.06	-	**29.06**
Non-current liabilities				
Deferred tax liability, net		0.02	-	0.02
		0.02	-	**0.02**
Current liabilities				
Financial liabilities				
Borrowings		4.41	-	4.41
Trade payables		6.15	-	6.15
Other financial liabilities		4.79	-	4.79
Provisions		0.07	-	0.07
Other current liabilities		0.27	-	0.27
		15.69	-	**15.69**
Total equity and liablities		**44.77**	-	**44.77**

* The Indian GAAP figures have been reclassified to conform to Ind AS presentation requirements for the purposes of this note.

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2. Reconciliation of equity as at March 31, 2017

(USD in Lakhs)

	Notes	Indian GAAP *	Adjustments	Ind AS
Assets				
Non-current assets				
Property, plant and equipment		0.28	-	0.28
Financial assets				
Investments		11.49		11.49
Non-current tax asset, net		0.40	-	0.40
		12.17	-	**12.17**
Current assets				
Financial assets				
Trade receivables		30.57	-	30.57
Cash and cash equivalents		0.00	-	0.00
Loans		1.75	-	1.75
Other financial assets		12.11	-	12.11
Other current assets		2.41	-	2.41
		46.84	-	**46.84**
Total assets		**59.01**	-	**59.01**
Equity and liablities				
Equity				
Equity share capital		22.47	-	22.47
Other equity		2.14	-	2.14
		24.61	-	**24.61**
Non-current liabilities				
Deferred tax liability, net		0.02	-	0.02
		0.02	-	**0.02**
Current liabilities				
Financial liabilities				
Borrowings		11.21	-	11.21
Trade payables		17.25	-	17.25
Other financial liabilities		5.09	-	5.09
Provisions		0.03	-	0.03
Other current liabilities		0.80	-	0.80
		34.38	-	**34.38**
Total equity and liablities		**59.01**	-	**59.01**

* The Indian GAAP figures have been reclassified to conform to Ind AS presentation requirements for the purposes of this note.

3. Reconciliation of profit or loss for the year ended March 31, 2017

(USD in Lakhs)

	Notes	Indian GAAP *	Adjustments	Ind AS
Income				
Revenue from operations		162.15	-	162.15
Other income		0.00	-	0.00
Total income		**162.15**	-	**162.15**
Expenses				
Employee benefits expense		102.16	-	102.16
Other expenses		64.05	-	64.05
Depreciation expense		0.13	-	0.13
Finance costs		0.26	-	0.26
Total expense		**166.60**	-	**166.60**
Profit/(Loss) before tax		(4.45)	-	(4.45)
Tax expense:				
Current tax		-	-	-
Deferred tax		-	-	-
Profit/(Loss) for the year		**(4.45)**	-	**(4.45)**
Other comprehensive income		-	-	-
Total comprehensive income for the year, (net of tax)		**(4.45)**	-	**(4.45)**

* The Indian GAAP figures have been reclassified to conform to Ind AS presentation requirements for the purposes of this note.

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3. Reconciliation of cash flow statement for the year ended March 31, 2017

(USD in Lakhs)

	Indian GAAP *	Adjustments	Ind AS
Net cash used in operating activities	(6.48)	0.29	(6.19)
Net cash used in investing activities	(0.07)	-	(0.07)
Net cash generated from financing activities	6.54	-	6.54
Net increase in cash and cash equivalents	**(0.01)**	**0.29**	**0.28**
Cash and cash equivalents at the beginning of the year	0.00	(1.59)	(1.59)
Cash and cash equivalents at the end of the year	(0.01)	(1.30)	(1.31)

Notes

1 Under Ind AS 7 - Statement of cash flows, bank borrowings are generally considered to be financing activities. However, where bank overdrafts which are repayable on demand form an integral part of an entity's cash management, bank overdrafts are included as a component of cash and cash equivalents.

32 Standards issue but not yet effective

The amendments to standards that are issued, but not yet effective, up to the date of issuance of the financial statements are disclosed below. The Company intends to adopt these standards, if applicable, when they become effective.

The Ministry of Corporate Affairs (MCA) has issued the Companies (Indian Accounting Standards) Amendment Rules, 2017 and Companies (Indian Accounting Standards) Amendment Rules, 2018 amending the following standard.

Ind AS 115 -Revenue from Contracts with Customers

Ind AS 115 was notified on March 28, 2018 and establishes a five-step model to account for revenue arising from contracts with customers. Under Ind AS 115 revenue is recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer. The new revenue standard will supercede all current revenue recognition requirements under Ind AS.

Further the new standard requires enhanced disclosures about the nature, amount, timing and uncertainty of revenue and cash flows arising from the entity's contracts with customers. The standard permits two possible methods of transition:

(i) Retrospective approach - Under this approach the standard will be applied retrospectively to each prior reporting period presented in accordance with Ind AS 8- Accounting Policies, Changes in Accounting Estimates and Errors.

(ii) Retrospectively with cumulative effect of initially applying the standard recognized at the date of initial application (Cumulative catch - up approach)

The effective date for adoption of Ind AS 115 is financial periods beginning on or after April 1, 2018. The Company will adopt the standard on April 1, 2018 by using the cumulative catch-up transition method and accordingly comparatives for the year ending or ended March 31, 2018 will not be retrospectively adjusted.

The Company continues to evaluate various areas such as gross versus net revenue presentation for certain contracts, identification and treatment of performance obligations associated with certain contracts etc. A reliable estimate of the quantitative impact of Ind AS 115 on the financial statements will only be possible once the implementation project has been completed.

Amendment to existing issued Ind AS

The MCA has also carried out amendments to Ind AS 112 - Disclosure of Interests in Other Entities. Application of above standards are not expected to have any significant impact on the Company's financial statements.

33 The comparative financial information of the Company for the year ended March 31, 2017 and the transition date opening balance sheet as at April 01, 2016, prepared in accordance with Ind AS included in this financial statements have been audited by Walker Chandiok & Co LLP, Chartered Accountants, vide their report dated May 07, 2018, who had audited the financial statements for the relevant periods.

34 Previous Year Comparatives

Previous years figures have been regrouped / reclassified wherever necessary, to conform to this year's classification.

As per our report of even date

For S R Batliboi & Associates LLP
Chartered Accountants
ICAI Firm Registration number : 101049W/E300004

per Sunil Gaggar
Partner
Membership Number : 1043[illegible]

Bengaluru
May 30, 2018

S. R. Batliboi & Associates LLP Bengaluru

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

Sreedhar Rao Ellentala
Director

Bengaluru
May 30, 2018

Srinivasulu Pulikam
Director and CEO

Peoria
May 29, 2018