

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of AXISCADES, Inc.

Report on the Audit of Special Purpose Indian Accounting Standards (Ind AS) Financial Statements**Opinion**

We have audited the accompanying Special Purpose Ind AS Financial Statements of AXISCADES, Inc. (the "Company"), which comprises the Balance sheet as at March 31, 2019, the Statement of Profit and Loss, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended March 31, 2019 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') to prepare the consolidated financial statements of the Holding Company.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Special Purpose Ind AS Financial Statements give a true and fair view and are prepared in accordance with the basis of preparation as set out in Note 2.1 of the notes to the accompanying Special Purpose Ind AS Financial Statements.

Basis for Opinion

We conducted our audit of the Special Purpose Ind AS Financial Statements in accordance with the Standards on Auditing (SAs) issued by the Institute of Chartered Accountants of India ("the ICAI"). Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the Special Purpose Ind AS Financial Statements' section of our report. We are independent of the Company in accordance with the 'Code of Ethics' issued by the ICAI and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Special Purpose Ind AS Financial Statements.

Emphasis of Matter and Restriction of distribution and Use

We draw attention to Note 2.1 of the notes to the accompanying Special Purpose Ind AS Financial Statements, which describe the basis of preparation.

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 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.

Our opinion is not modified in respect of this matter.



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

The Company's Board of Directors are responsible for preparation of these Special Purpose Ind AS Financial Statements that give a true and fair view of the financial position and financial performance of the Company in accordance with the basis of preparation as set out in Note 2.1 of the Special Purpose Ind AS Financial Statements. This responsibility also includes maintenance of adequate accounting records for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and relevant to the preparation and presentation of the Special Purpose Ind AS Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Special Purpose Ind AS Financial Statements, the Management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Company's Board of Directors are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Special Purpose Ind AS Financial Statements

Our objectives are to obtain reasonable assurance about whether the Special Purpose Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Special Purpose Ind AS Financial Statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Special Purpose Ind AS Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management.
- Conclude on the appropriateness of the Management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or



S.R. BATLIBOI & ASSOCIATES LLP

Chartered Accountants

conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Special Purpose Ind AS Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

We communicate with Board of Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, that we identify during our audit.

We also provide Board of Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

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


per Sunil Gaggar
Partner
Membership Number: 104315
Place of Signature: Bengaluru
Date: May 07, 2019



AXISCADES, Inc.
Balance Sheet as at March 31, 2019

(Amount in USD)


	Notes	As at March 31, 2019	As at March 31, 2018
Assets			
Non-current assets			
Property, plant and equipment	3	36,548	26,139
Financial assets			
Investments	4	1,149,031	1,149,031
Deferred tax asset, net	5	701,996	-
Non-current tax assets (net)	6	-	40,336
		1,887,575	1,215,506
Current assets			
Financial assets			
Loans	7	300,669	439,354
Trade receivables	8	4,848,766	5,009,381
Cash and cash equivalents	9	180,039	21
Other financial assets	10	692,262	740,087
Other current assets	11	404,548	130,122
		6,426,284	6,318,965
Total assets		8,313,859	7,534,471
Equity and liabilities			
Equity			
Equity share capital	12	2,247,227	2,247,227
Other equity	13	(898,203)	(1,272,744)
		1,349,024	974,483
Non-current liabilities			
Deferred tax liability, net	5	-	1,696
		-	1,696
Current liabilities			
Financial liabilities			
Borrowings	14	3,038,078	3,062,084
Trade payables	15	3,273,470	2,858,037
Other financial liabilities	16	578,293	563,331
Other current liabilities	17	602	74,840
Liability for current tax, net		74,392	-
		6,964,835	6,558,292
Total equity and liabilities		8,313,859	7,534,471

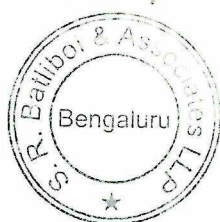
The accompanying notes are an integral part of these special purpose financial statements.


As per our report of even date

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

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


per Sunil Gaggar
Partner
Membership Number : 104315




Sharadhi Chandra Babupampapathy
Director

Bengaluru
May 07, 2019


Kailash Mohan Rustagi
Director

Bengaluru
May 07, 2019

AXISCADES, Inc.
Statement of Profit and Loss for the year ended March 31, 2019

(Amount in USD)

	Notes	Year ended March 31, 2019	Year ended March 31, 2018
Income			
Revenue from contracts with customers	18	21,648,624	21,590,639
Other income	19	38,052	678
Total income		21,686,676	21,591,317
Expenses			
Employee benefits expense	20	14,895,116	12,540,945
Other expenses	21	6,829,584	10,410,092
Depreciation expense	22	20,161	15,180
Finance cost	23	156,238	111,462
Total expenses		21,901,099	23,077,679
Loss before tax		(214,423)	(1,486,362)
Tax expense:	5		
Current tax		114,728	-
Deferred tax credit		(703,692)	-
Income tax expense		(588,964)	-
Profit / (Loss) after tax		374,541	(1,486,362)
Other comprehensive income (OCI)		-	-
Total comprehensive income / (loss) for the year, net of tax		374,541	(1,486,362)
Earnings per equity share	24		
Basic and diluted		18.99	(75.35)

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

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

per Sunil Gagar
Partner
Membership Number : 104315



Bengaluru
May 07, 2019

Sharadhi Chandra Babupampapathy
Director

Bengaluru
May 07, 2019

Kailash Mohan Rustagi
Director

Bengaluru
May 07, 2019

AXISCADES, Inc.
Statement of Changes in Equity for the year ended March 31, 2019

(Amount in USD)

A. Equity share capital	Notes	(Amount in USD)	
		Number	Amount
Equity shares fully paid up	12		
As at April 1, 2017		19,725	2,247,227
Issued during the year		-	-
As at March 31, 2018		19,725	2,247,227
Issued during the year		-	-
As at March 31, 2019		19,725	2,247,227
B. Other equity			
	13	(Amount in USD)	
		Retained earnings	Total
As at April 1, 2017		213,618	213,618
Loss for the year		(1,486,362)	(1,486,362)
Other comprehensive income		-	-
As at March 31, 2018		(1,272,744)	(1,272,744)
Profit for the year		374,541	374,541
Other comprehensive income		-	-
As at March 31, 2019		(898,203)	(898,203)

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

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

per Sunil Gaggar
Partner
Membership Number : 104315



Bengaluru
May 07, 2019

Sharadhi Chandra Babupampapathy
Director

Bengaluru
May 07, 2019

Kailash Mohan Rustagi
Director

Bengaluru
May 07, 2019

AXISCADES, Inc.
Statement of Cash Flows for the year ended March 31, 2019

(Amount in USD)

	Year ended March 31, 2019	Year ended March 31, 2018
(A) Cash flow from operating activities		
Loss before tax	(214,423)	(1,486,362)
Adjustments for:		
Depreciation expense	20,161	15,180
Profit on sale of assets	-	460
Interest expense	156,238	111,462
Expected credit loss for trade receivables	1,447,357	1,362,945
Bad debt written-off	-	9,646
Operating profit before working capital changes	1,409,333	13,331
Adjustments for working capital changes		
(Increase) / decrease in trade receivables	(1,286,741)	(3,325,134)
(Increase) / decrease in loans	138,685	(264,476)
(Increase) / decrease in other financial assets	47,825	470,424
(Increase) / decrease in other assets	(274,426)	111,339
Increase / (decrease) in trade payables	415,433	1,131,686
Increase / (decrease) in provisions	-	(3,023)
Increase / (decrease) in other financial liabilities	96,676	95,010
Increase / (decrease) in other liabilities	(74,238)	(5,063)
Cash generated from / (used in) operating activities	472,547	(1,775,906)
Direct taxes paid (net of refunds)	-	-
Net cash generated from / (used in) operating activities (A)	472,547	(1,775,906)
(B) Cash flow from investing activities		
Purchase of property, plant and equipment	(30,570)	(14,002)
Proceeds from sale of property, plant and equipment	-	743
Net cash used in investing activities (B)	(30,570)	(13,259)
(C) Cash flow from financing activities		
Proceeds from short term borrowings (net)	490,994	526,165
Proceeds from Inter corporate deposit	1,400,000	1,915,000
Repayment of inter corporate deposit	(1,915,000)	(500,000)
Interest paid	(154,943)	(103,989)
Net cash generated from / (used in) financing activities (C)	(178,949)	1,837,176
Net increase in cash and cash equivalents (A+B+C)	263,028	48,011
Cash and cash equivalents at beginning of the year (refer note 9)	(82,989)	(131,000)
Cash and cash equivalents at the end of the year (refer note 9)	180,039	(82,989)
Note: For the purpose of statement of cash flows, cash and cash equivalents comprises the following:		
	As at March 31, 2019	As at March 31, 2018
Cash on hand	-	21
Balances with banks	180,039	-
Less: Bank overdraft (refer note 16)	-	(83,010)
Cash and cash equivalents reported in cash flow statements	180,039	(82,989)

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 07, 2019



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

Sharadhi Chandra Babupampapathy
Director

Bengaluru
May 07, 2019

Kailash Mohan Rustagi
Director

Bengaluru
May 07, 2019

1 General Information:

AXISCADES, Inc. ('the Company'), operates in the business of IT Enabled 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 statements ('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'). This financial statements have been approved by the Board of Directors in the meeting held on 07 May 2019.

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, where every Company having a subsidiary shall place separate audited accounts in respect of each of its subsidiary on its website and provide a copy of separate audited financials statement in respect of its subsidiary, to any shareholder of the Company who asks for it.

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 in full figures, except when otherwise indicated.

2.2 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

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

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

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:

<u>Category of assets</u>	<u>Useful life estimated by Management</u>
Office equipment's	7 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.

(c) Impairment of non-financial assets

The Company assesses, at each reporting date, whether there is an indication that an asset may be impaired based on internal and external factors. 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.

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.

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.

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.



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. However, if credit risk has increased significantly, lifetime ECL is used. If in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on 12 month ECL.

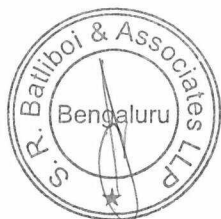
ECL is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the entity expects to receive (i.e., all cash shortfalls), discounted at the original EIR. When estimating the cash flows, an entity is required to consider:

- 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.

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.

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.

(g) Revenue from contract with customer

The Company earns revenue from contracts with customers primarily from sale of services.

Effective April 1, 2018, the Company has applied Ind AS 115 which establishes a comprehensive framework for determining whether, how much and when revenue is to be recognised. Ind AS 115 replaces Ind AS 18 Revenue and Ind AS 11 Construction Contracts. The effect of initially applying this standard is recognised at the date of initial application (i.e. April 1, 2018). The standard is applied retrospectively only to contracts that are not completed as at the date of initial application and the comparative information in the statement of profit and loss is not restated – i.e. the comparative information continues to be reported under Ind AS 18 and Ind AS 11. Refer Note 2(g) – Significant accounting policies – Revenue Recognition - in the financial statements of the Company for the year ended March 31, 2018, for revenue recognition policy as per Ind AS 18 and Ind AS 11. The impact of adoption of the standard on the financial statements of the Company is insignificant.

The specific recognition criteria described below must also be met before revenue is recognized.

Sale of services

The Company derives its revenues primarily from engineering design services. Service income comprises of income from time and material contracts and fixed-price contracts. Revenue on time-and-material contracts are recognized as the related services are performed and revenue from the end of the last invoicing to the reporting date is recognized as unbilled revenue. Revenue from fixed-price, where the performance obligations are satisfied over time and where there is no uncertainty as to measurement or collectability of consideration, is recognized as per the percentage-of-completion method.

Variable Consideration:

Rights of return, volume discounts, or any other form of variable consideration is estimated using either the sum of probability weighted amounts in a range of possible consideration amounts (expected value), or the single most likely amount in a range of possible consideration amounts (most likely amount), depending on which method better predicts the amount of consideration realizable. Transaction price includes variable consideration only to the extent it is probable that a significant reversal of revenues recognized will not occur when the uncertainty associated with the variable consideration is resolved. Our estimates of variable consideration and determination of whether to include estimated amounts in the transaction price may involve judgment and are based largely on an assessment of our anticipated performance and all information that is reasonably available to us

Finance income:

For all financial instruments measured at amortised cost, interest income is recorded using the effective interest rate (EIR). EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial asset or to the amortised cost of a financial liability. When calculating EIR, the Company estimates the expected cash flows by considering all the contractual terms of the financial instrument but does not consider the expected credit losses. Interest income is included in finance income in the statement of profit and loss.

Contract balances**Contract assets:**

A contract asset is the right to consideration in exchange for services transferred to the customer. If the Company performs by providing services to a customer before the customer pays consideration or before payment is due, a contract asset is recognised for the earned consideration that is conditional.

Revenues in excess of invoicing are classified as contract assets (which we refer to as Unbilled Revenue)



Trade receivables

A receivable represents the Company's right to an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due). Refer to accounting policies of financial assets in section 2 (f) Financial instruments – initial recognition and subsequent measurement.

(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.

(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) Investment in Subsidiary

The Company's investment in equity instruments in subsidiaries are accounted for at cost. Where the carrying amount of an investment is greater than its estimated recoverable amount, it is written down immediately to its recoverable amount and the difference is transferred to the Statement of Profit and Loss. On disposal of investment, the difference between the net disposal proceeds and the carrying amount is charged or credited to the Statement of Profit and Loss.

(k) 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.

(l) 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.

(m) 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 at banks, cash in hand 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.



(n) 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 IT enabled services, which constitutes single reportable segment.

(o) Fair value measurement

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.

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.

For the purpose of fair value disclosures, the Company has determined the classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liabilities and the level of the fair value hierarchy as explained above.

(p) 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.

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.

(q) Employee benefits*Overseas social security*

The Company contributes to social security charges of countries to which the Company deutes its employees on employment or has permanent employees. The plans are defined contribution plan and contributions paid or payable is recognised as an expense in these periods in which the employee renders services in those respective countries.

Short-term employee benefits

Short-term employee benefits comprise of employee costs such as salaries, bonus etc. is recognized on the basis of the amount paid or payable for the period during which services are rendered by the employee.



2.3 Changes in accounting policies and disclosures

The Company applied Ind AS 115 for the first time. The nature and effect of the changes as a result of adoption of these new accounting standards are described below.

Several other amendments and interpretations apply for the first time in during the year ending March 31, 2019, but do not have an impact on the financial statements of the Company. The Company has not early adopted any standards or amendments that have been issued but are not yet effective.

Ind AS 115 - Revenue from Contracts with Customers

Ind AS 115 was issued on 28 March 2018 and supersedes Ind AS 11 Construction Contracts and Ind AS 18 Revenue and it applies, with limited exceptions, to all revenue arising from contracts with its customers. Ind AS 115 establishes a five-step model to account for revenue arising from contracts with customers and requires that revenue be recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for providing services to a customer.

Ind AS 115 requires entities to exercise judgement, taking into consideration all of the relevant facts and circumstances when applying each step of the model to contracts with their customers. The standard also specifies the accounting for the incremental costs of obtaining a contract and the costs directly related to fulfilling a contract. In addition, the standard requires extensive disclosures.

The Company adopted Ind AS 115 using the modified retrospective method of adoption. The Company do not have any significant impact on adoption of Ind AS 115 for the current year.



(This space has been intentionally left blank)

3 Property, plant and equipment (PPE)

	Computers	Furniture and fixtures	Office equipments	Total
Cost*				
As at April 1, 2017	10,548	29,290	879	40,717
Additions	14,002	-	-	14,002
Disposals	926	-	-	926
As at March 31, 2018	23,624	29,290	879	53,793
Additions	29,199	1,089	282	30,570
Disposals	-	-	-	-
As at March 31, 2019	52,823	30,379	1,161	84,363
Depreciation				
As at April 1, 2017	3,548	9,209	360	13,117
Charge for the year	6,451	8,689	40	15,180
Disposals	643	-	-	643
As at March 31, 2018	9,356	17,898	400	27,654
Charge for the year	12,575	7,417	169	20,161
Disposals	-	-	-	-
As at March 31, 2019	21,931	25,315	569	47,815
Net block				
As at March 31, 2018	14,268	11,392	479	26,139
As at March 31, 2019	30,892	5,064	592	36,548

Note:**a. Contractual obligations**

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

b. Capitalised borrowing cost

There are no borrowing costs capitalised during the year ended March 31, 2019 (March 31, 2018: Nil).

c. Property, plant and equipment pledged as security

Details of properties pledged are as per Note 14.

* For Property, plant and equipment existing as on the date of transition to Ind AS i.e., 1 April 2016, the Company has used fair value as at 1 April 2016 as deemed cost. Thereafter, all the additions to Property, plant and equipment are recognized at cost.



4 Investments**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, 2018 : 575,476)

	As at March 31, 2019	As at March 31, 2018
	1,149,031	1,149,031
	1,149,031	1,149,031

5 Income Tax

The major components of income tax expense are:

Current Income tax-

Current income tax charge

Deferred tax credit-

Relating to origination and reversal of temporary differences

Income tax expense reported in Statement of profit and loss

	As at March 31, 2019	As at March 31, 2018
	114,728	-
	(703,692)	-
	(588,964)	-

Reconciliation of tax expenses and the accounting profit multiplied by domestic tax rate**Accounting loss before tax**

Tax on accounting profit/loss at statutory income tax rate

Tax benefit on utilisation/expected utilisation of benefit on previously unrecognised tax losses

Other non deductible expenses

Tax expense at the effective income tax rate

Income tax reported in the Statement of Profit and Loss

	As at March 31, 2019	As at March 31, 2018
	(214,423)	-
	(53,605)	-
	(551,827)	-
	16,468	-
	(588,964)	-
	(588,964)	-
	March 31, 2019	March 31, 2018

Deferred tax asset

- on Expected credit loss for trade receivables

- on Property, plant and equipment

Total deferred tax asset (i)

	701,529	-
	2,163	-
	703,692	-

Deferred tax liability

On Depreciation

Total deferred tax liability (ii)

	1,696	1,696
	1,696	1,696

Net deferred tax asset / (liability) [i-ii]

	701,996	(1,696)
--	---------	---------

6 Non-current tax assets (net)

Advance income taxes, net of provision for tax

	As at March 31, 2019	As at March 31, 2018
	-	40,336
	-	40,336



(Amount in USD)

7 Loans	As at March 31, 2019	As at March 31, 2018
Current		
Unsecured, considered good		
Other receivables from related parties (refer note 25)	295,432	434,167
Security deposits	5,237	5,187
	300,669	439,354
8 Trade receivables	As at March 31, 2019	As at March 31, 2018
Current		
Trade receivables	4,848,766	5,009,381
	4,848,766	5,009,381
Break up of trade receivables for security details		
Secured, considered good	-	-
Unsecured, considered good	4,848,766	5,009,381
Trade Receivables which have significant increase in credit risk	-	-
Trade Receivables - credit impaired*	2,810,302	1,362,945
	7,659,068	6,372,326
Impairment Allowance (allowance for bad and doubtful debts)		
Trade Receivables - credit impaired*	2,810,302	1,362,945
	2,810,302	1,362,945
	4,848,766	5,009,381

No trade or other receivables are due from directors or other officers of the Company either severally or jointly with any other person.

Trade receivables are non-interest bearing and are generally on terms of 30 to 120 days.

*The impairment allowance pertains to receivables from customers whose payments are significantly delayed. The Management is taking necessary steps including legal actions, where necessary, to recover these outstanding receivables.

9 Cash and cash equivalents	As at March 31, 2019	As at March 31, 2018
Cash on hand	-	21
Balances with banks		
- on current accounts	180,039	-
	180,039	21

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

	As at March 31, 2019	As at March 31, 2018
Cash on hand	-	21
Balances with banks	180,039	-
Less: Bank overdraft (refer note 16)	-	(83,010)
Cash and cash equivalents reported in cash flow statements	180,039	(82,989)

Cash at banks earns interest at floating rates based on daily bank deposit rates. Short-term deposits are made for varying periods, depending on the immediate cash requirements of the Company, and earn interest at the respective short-term deposit rates.



10 Other financial assets

Current

(Unsecured, considered good)

Contract asset - Unbilled revenue

	As at March 31, 2019	As at March 31, 2018
	692,262	740,087
	692,262	740,087

11 Other current assets

(Unsecured, considered good)

Prepaid expenses

Advance to employees

	As at March 31, 2019	As at March 31, 2018
	378,616	118,764
	25,932	11,358
	404,548	130,122

Breakup of financial assets carried at amortised cost

Loans (refer note 7)

Trade receivables (refer note 8)

Cash and cash equivalents (refer note 9)

Other financial assets (refer note 10)

Total financial assets carried at amortised cost

	As at March 31, 2019	As at March 31, 2018
	300,669	439,354
	4,848,766	5,009,381
	180,039	21
	692,262	740,087
	6,021,736	6,188,843

(This space has been intentionally left blank)

12 Equity share capital	March 31, 2019		March 31, 2018	
	Number	Amount	Number	Amount
Authorised share capital				
Equity shares with no par value, fully paid up	19,725	2,247,227	19,725	2,247,227
	19,725	2,247,227	19,725	2,247,227
Issued, subscribed and paid-up share capital				
Equity shares with no par value, fully paid up	19,725	2,247,227	19,725	2,247,227
	19,725	2,247,227	19,725	2,247,227

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

Equity shares with no par value, fully paid up	March 31, 2019		March 31, 2018	
	Number	Amount	Number	Amount
At the beginning of the year	19,725	2,247,227	19,725	2,247,227
Add: Issued and subscribed during the year	-	-	-	-
Outstanding at the end of the year	19,725	2,247,227	19,725	2,247,227

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 dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing 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

AXISCADES Engineering Technologies Limited, Holding Company	March 31, 2019		March 31, 2018	
	Number	Amount	Number	Amount
	19,725	2,247,227	19,725	2,247,227

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

AXISCADES Engineering Technologies Limited, Holding Company	March 31, 2019		March 31, 2018	
	Number	Percentage	Number	Percentage
	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 without payment being received in cash or any bonus shares or has bought back any shares.

13 Other equity

Surplus in the Statement of Profit and Loss

	March 31, 2019	March 31, 2018
Balance at the beginning of the year	(1,272,744)	213,618
Add: Profit / (Loss) for the year	374,541	(1,486,362)
Balance at the end of the year	(898,203)	(1,272,744)

14 Borrowings

	March 31, 2019	March 31, 2018
Current		
Secured		
Loan from bank		
Working capital loan (secured) (refer note (i) below)	1,638,078	1,147,084
Unsecured		
Loans from related party (unsecured) (refer note (ii) below)	1,400,000	1,915,000
	3,038,078	3,062,084



(i) The working capital loan carries effective interest rate ranging from LIBOR plus 2.75% to 3.5% p.a. (March 31, 2018 : LIBOR plus 2.75% p.a). 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 receivables (including health care insurance receivables 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 foregoing and all cash and non-cash proceeds and Products (including without limitation insurance proceeds) of the foregoing, 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 1,400,000 (March 31, 2018 : USD 1,915,000). The ICD carries an interest rate of 4% per annum (March 31, 2018 : 4% per annum) and is repayable on demand. Also refer note 25 for related party disclosures.

Changes in liabilities arising from financing activities

Particulars	April 1, 2018	Cash flows	Changes in fair value	Others	March 31, 2019
Current borrowing	3,062,084	(24,006)	-	-	3,038,078
Total liabilities from financing activities	3,062,084	(24,006)	-	-	3,038,078
	April 1, 2017	Cash flows	Changes in fair value	Others	March 31, 2018
Current borrowing	1,120,919	1,941,165	-	-	3,062,084
Total liabilities from financing activities	1,120,919	1,941,165	-	-	3,062,084

15 Trade payables

	March 31, 2019	March 31, 2018
Current		
Dues to related parties (refer note 25)	3,038,392	2,623,390
Dues to others	235,078	234,647
	3,273,470	2,858,037

16 Other current financial liabilities

	March 31, 2019	March 31, 2018
Bank overdraft	-	83,010
Interest accrued on inter corporate deposit (refer note 25)	20,182	18,888
Dues to employees	558,111	461,433
	578,293	563,331

17 Other current liabilities

	March 31, 2019	March 31, 2018
Contract liabilities- Advance from customers	-	26,233
Duties and taxes payable	602	31,975
Contract liabilities- Unearned revenue	-	16,632
	602	74,840

Breakup of financial liabilities carried at amortised cost

	March 31, 2019	March 31, 2018
Borrowings (refer note 14)	3,038,078	3,062,084
Trade payables (refer note 15)	3,273,470	2,858,037
Other current financial liabilities (refer note 16)	578,293	563,331
Total financial liabilities carried at amortised cost	6,889,841	6,483,452



18 Revenue from contracts with customers**Sale of services**

IT enabled services

	Year ended March 31, 2019	Year ended March 31, 2018
	21,648,624	21,590,639
	21,648,624	21,590,639

18.1 Contract balances

Trade receivables (refer note 8)

Contract assets- Unbilled revenue (refer note 10)

	Year ended March 31, 2019
	4,848,766
	692,262

Trade receivables are non-interest bearing and are generally on terms of 30 to 120 days. In March 31, 2019, USD 2,810,302 (March 31, 2018: USD 1,362,945) was recognised in statement of profit and loss as provision for expected credit losses on trade receivables.

Contract assets are initially recognised for revenue earned from providing of services as receipt of consideration is conditional on acceptance by the customer. Upon completion of acceptance by the customer, the amounts recognised as contract assets are reclassified to trade receivables.

18.2 Performance Obligation

The performance obligation is satisfied upon the providing of services as and when rendered and accordingly, there is no outstanding performance obligation as on March 31, 2019.

19 Other income

Miscellaneous income

Profit on sale of assets

	Year ended March 31, 2019	Year ended March 31, 2018
	38,052	218
	-	460
	38,052	678

20 Employee benefits expense

Salaries, wages and bonus *

Contribution to social security

Staff welfare expenses

	Year ended March 31, 2019	Year ended March 31, 2018
	13,312,104	11,123,766
	889,398	884,427
	693,614	532,752
	14,895,116	12,540,945

*Net-off cross charge received aggregating USD 366,631; (March 2018: USD 329,336) (refer note 25).

(This space has been intentionally left blank)



21 Other expenses

	Year ended March 31, 2019	Year ended March 31, 2018
Software subscription charges*	165,919	151,601
Sub-contracting charges**	3,472,478	7,287,404
Legal and professional charges	469,785	412,631
Payment to auditors***	11,000	11,000
Travelling and conveyance	496,057	372,231
Rent	201,054	145,232
Recruitment and training expenses	80,443	79,696
Insurance expenses	57,561	67,715
Communication expenses	25,228	57,197
Postage and courier charges	15,940	14,293
Repairs and maintenance		
- Buildings	35,743	23,264
Advertising and marketing expenses	292,338	369,771
Power and fuel	12,397	12,416
Rates and taxes	3,608	2,088
Bad debts written off	-	9,646
Expected credit loss for trade receivables	1,447,357	1,362,945
Bank charges	7,900	12,144
Miscellaneous expenses	34,776	18,818
	6,829,584	10,410,092

*Net-off cross charge received aggregating USD 196,519; (March 2018: USD 182,393) (refer note 25).

**includes services received from the Holding Company aggregating USD 3,253,857; (March 2018: USD 2,777,108) (refer note 25).

***Payment to auditors

As auditor

Audit fees

	Year ended March 31, 2019	Year ended March 31, 2018
	11,000	11,000
	11,000	11,000

22 Depreciation expense

Depreciation of tangible assets (refer note 3)

	Year ended March 31, 2019	Year ended March 31, 2018
	20,161	15,180
	20,161	15,180

23 Finance cost

Interest on loans from bank

Interest on Inter-corporate deposit (refer note 25)

	Year ended March 31, 2019	Year ended March 31, 2018
	77,322	55,163
	78,916	56,299
	156,238	111,462

24 Earnings per share (EPS)

The following reflects the profit/(loss) and share data used in basic and diluted EPS computation:

	Year ended March 31, 2019	Year ended March 31, 2018
a) Profit / (Loss) after tax attributable to equity shares	374,541	(1,486,362)
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
d) Earnings per share- Basic and Diluted (in USD)	18.99	(75.35)



25 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 known 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 with whom transactions have taken place during the year

Director and CEO	Mr. Srinivasulu Reddy Pulikam (till July 20, 2018)
------------------	---

iv. Transactions with above related parties during the year :

Name of Related Party	Nature of Transaction	March 31, 2019	March 31, 2018
AXISCADES Engineering Technologies Limited Holding company	Software subscription cross charged	196,519	182,393
	Employee benefit expense crossed charged	366,631	329,336
	Reimbursement of expense	241,546	16,000
	Sub-contracting charges	3,253,857	2,777,108
AXISCADES Technology Canada Inc. Fellow subsidiary	Employee benefit expense crossed charged	-	54,813
	Inter-corporate deposit received	1,400,000	1,915,000
	Inter-corporate deposit repaid	1,915,000	500,000
	Interest expense	78,916	56,299
Mr. Srinivasulu Reddy Pulikam	Remuneration (refer note a below)	690,393	333,651

Note (a): Includes employee benefits expense of USD 243,767 (March 31, 2018 : USD 158,547) cross-charged to AXISCADES Engineering Technologies Limited.

v. Balances as at the year end

Name of Related Party	Nature of balance	March 31, 2019	March 31, 2018
AXISCADES Engineering Technologies Limited	Trade payables	3,038,392	2,623,390
	Other receivables	295,432	434,167
AXISCADES Technology Canada Inc.	Inter-corporate deposit payable	1,400,000	1,915,000
	Other current liabilities - Interest accrued on ICD	20,182	18,888
AXISCADES UK Limited	Investment	1,149,031	1,149,031
Mr. Srinivasulu Reddy Pulikam	Remuneration payable	-	19,230

Terms and conditions of transactions with related parties

The transactions with related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured, 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, 2019, the Company has not recorded any impairment of receivables relating to amounts owed by related parties (March 31, 2018: USD Nil). This assessment is undertaken every financial year through examining the financial position of the related party and the market in which the related party operates.

26 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'.

27 Leases

Company as a lessee

The rent expenses includes rental payment towards office premises. The lease is for a initial term of 2 to 5 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 201,054 (March 31, 2018: USD 145,232).

Future minimum rentals payable under non-cancellable operating leases are as follows :

	March 31, 2019	March 31, 2018
Not later than one year	93,137	139,976
Later than one year not later than five years	87,166	23,391
Later than five years	-	-
	180,303	163,367



28 Fair value measurements

(i) Financial instruments by category

The carrying value and fair value of financial instruments by categories as of March 31, 2019 and March 31, 2018 are as follows:

Particulars	Carrying Value		Fair Value	
	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
Financial Assets at amortised cost				
Assets:				
Cash and cash equivalents (refer note 9)	180,039	21	180,039	21
Trade receivables (refer note 8)	4,848,766	5,009,381	4,848,766	5,009,381
Loans (refer note 7)	300,669	439,354	300,669	439,354
Other financial assets (refer note 10)	692,262	740,087	692,262	740,087
Total	6,021,736	6,188,843	6,021,736	6,188,843
Liabilities:				
Borrowings (refer note 14)	3,038,078	3,062,084	3,038,078	3,062,084
Trade payables (refer note 15)	3,273,470	2,858,037	3,273,470	2,858,037
Other current financial liabilities (refer note 16)	578,293	563,331	578,293	563,331
Total	6,889,841	6,483,452	6,889,841	6,483,452

The Management assessed that the fair value of cash and cash equivalents, trade receivables, loans, other financial assets, trade payables, borrowings 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.

(This space has been intentionally left blank)



28 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 hierarchy of financial assets and liabilities of the Company as at March 31, 2019 and March 31, 2018:

Quantitative disclosure fair value measurement hierarchy as at March 31, 2019

Particulars	Date of Valuation	Carrying value	Quoted 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, 2019	1,149,031	-	-	1,149,031
Loans (refer note 7)	March 31, 2019	300,669	-	-	300,669
Trade receivable (refer note 8)	March 31, 2019	4,848,766	-	-	4,848,766
Cash and cash equivalents (refer note 9)	March 31, 2019	180,039	-	-	180,039
Other financial assets (refer note 10)	March 31, 2019	692,262	-	-	692,262
Liabilities carried at amortised cost for which fair value are disclosed					
Borrowings (refer note 14)	March 31, 2019	3,038,078	-	-	3,038,078
Trade payables (refer note 15)	March 31, 2019	3,273,470	-	-	3,273,470
Other financial liabilities (refer note 16)	March 31, 2019	578,293	-	-	578,293

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

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

Particulars	Date of Valuation	Carrying value	Quoted 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	1,149,031	-	-	1,149,031
Loans (refer note 7)	March 31, 2018	439,354	-	-	439,354
Trade receivable (refer note 8)	March 31, 2018	5,009,381	-	-	5,009,381
Cash and cash equivalents (refer note 9)	March 31, 2018	21	-	-	21
Other financial assets (refer note 10)	March 31, 2018	740,087	-	-	740,087
Liabilities carried at amortised cost for which fair value are disclosed					
Borrowings (refer note 14)	March 31, 2018	3,062,084	-	-	3,062,084
Trade payables (refer note 15)	March 31, 2018	2,858,037	-	-	2,858,037
Other financial liabilities (refer note 16)	March 31, 2018	563,331	-	-	563,331

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

29 Capital management

For the purpose of the Company's capital management, capital includes issued capital and all equity reserves attributable to the equity shareholders of the Company. The primary objective of the Company's capital management 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



Particulars	March 31, 2019	March 31, 2018
Borrowings (refer note 14)	3,038,078	3,062,084
Bank overdraft (refer note 16)	-	83,010
Less: Cash and cash equivalents (refer note 9)	(180,039)	(21)
Net Debt (A)	2,858,039	3,145,073
Equity share capital (refer note 12)	2,247,227	2,247,227
Other equity (refer note 13)	(898,203)	(1,272,744)
Total capital (B)	1,349,024	974,483
Capital and net debt (C= A+B)	4,207,063	4,119,556
Gearing Ratio (D = A/C)	67.93%	76.33%

No changes were made in the objectives, policies or processes for managing capital during the year ended March 31, 2019 and March 31, 2018.

30 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 Company'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 its financial performance. The Company's exposure to credit risk is influenced mainly by the individual characteristic of the customer.

(A) Credit risk

Credit risk refers to the risk of default on its obligation by the counterparty resulting in a financial loss. The maximum exposure to the credit risk at the reporting date is primarily from trade receivables amounting to USD 4,848,766 as of March 31, 2019 (March 31, 2018: USD 5,009,385).

Trade receivables are typically unsecured and are derived from revenue earned from customers primarily located in The United States of America. Credit risk has always been managed by the Company through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of customers to which the Company grants credit terms in the normal course of business. On account of adoption of Ind AS 109, Financial Instruments, the Company uses expected credit loss model to assess the impairment loss or gain. The provision for expected credit loss takes into account available external and internal credit risk factors including the credit ratings of the various customers and Company's historical experience for customers.

Assets under credit risk:

	March 31, 2019	March 31, 2018
Trade receivable (refer note 8)	4,848,766	5,009,381
Loans (refer note 7)	300,669	439,354
Other financial assets (refer note 10)	692,262	740,087
Total	5,841,697	6,188,822

Credit risk exposure

The allowance for life time expected credit loss on customer balances for the year ended March 31, 2019 was USD 2,810,302 [March 31, 2018: USD 1,362,945].

Particulars	March 31, 2019	March 31, 2018
Balance at the beginning	1,362,945	-
Impairment loss recognised	1,447,357	1,362,945
Impairment loss reversed	-	-
Balance at the end	2,810,302	1,362,945

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.

Financial assets that are neither past due nor impaired

Cash and cash equivalents, other receivables, security deposit and unbilled revenue are neither past due nor impaired.

Financial assets that are past due but not impaired

There is no other class of financial assets that is past due but not impaired except for receivables of USD 2,810,302 as at March 31, 2019 and USD 1,362,945 as at March 31, 2018. The Company's credit period generally ranges from 30 to 120 days from invoicing date. The aging analysis of the receivables has been considered from the date the invoice falls due.



30 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. As of March 31, 2019, the Company had a negative working capital of USD 538,549 lakhs (March 31, 2018: USD 239,325) including cash and cash equivalents of USD 180,039 (March 31, 2018: USD 21).

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

As at March 31, 2019	Less than 1 year	1 year to 5 years	More than 5 years	Total
Borrowings (refer note 14)	3,038,078	-	-	3,038,078
Trade payables (refer note 15)	3,273,470	-	-	3,273,470
Dues to employees (refer note 16)	558,111	-	-	558,111
Interest accrued (refer note 16)	20,182	-	-	20,182
Total	6,889,841	-	-	6,889,841

As at March 31, 2018	Less than 1 year	1 year to 5 years	More than 5 years	Total
Borrowings (refer note 14)	3,062,084	-	-	3,062,084
Trade payables (refer note 15)	2,858,037	-	-	2,858,037
Bank overdraft (refer note 16)	83,010	-	-	83,010
Dues to employees (refer note 16)	461,433	-	-	461,433
Interest accrued (refer note 16)	18,888	-	-	18,888
Total	6,483,452	-	-	6,483,452

(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 receivables/ 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, 2019, 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 because 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:

Particulars	31 March 2019	31 March 2018
Variable rate borrowing	1,638,078	1,147,084
Fixed rate borrowing	1,400,000	1,915,000
	3,038,078	3,062,084

Sensitivity

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

	31 March 2019	31 March 2018
Interest rates – increase by 50 basis points	8,016	6,742
Interest rates – decrease by 50 basis points	(8,016)	(6,742)



31 Standards issued but not yet effective

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

i) Ind AS 116: Leases

On March 30, 2019, the Ministry of Corporate Affairs has notified the Companies (Indian Accounting Standards) Amended Rules, 2018 ("amended rules"). As per the amended rules, Ind AS 116, "Leases", will replace existing Ind AS on Lease. It replaces Ind AS 17, "Leases" and is applicable for all accounting periods commencing on or after April 1, 2019.

The standard introduces a comprehensive model for the identification of lease arrangements and accounting treatments for both lessors and lessees. For lessees, Ind AS 116 removes distinctions between operating leases and finance leases. These are replaced by a model where a right of use asset and a corresponding liability are recognised for all leases except for short-term leases and low value assets.

In contrast to lessee accounting, Ind AS 116 substantially carries forward the lessor accounting requirements in Ind AS 17, and continues to require a lessor to classify a lease either as an operating lease or a finance lease.

The standard permits two possible methods of transition:

Full Retrospective approach - Under this approach the standard will be applied retrospectively to each prior reporting period presented.

Modified Retrospective approach - Under this approach the entity shall not restate the comparative information. Instead, the entity shall recognise the cumulative effect of initially applying this Standard as an adjustment to the opening balance of retained earnings at the date of initial application.

The Company has established an implementation team to implement Ind AS 116 related to the identification and recognition of leases and continues to evaluate the changes to accounting system and processes, and additional disclosure requirements that may be necessary.

During the year, the Company has made progress in a number of areas including the identification of leases and contracts that could be determined to include a lease; the collation of lease data required for the calculation of the impact assessment; identification of areas of complexity or judgement relevant to the Company; identification of necessary changes to systems and processes required to enable reporting and accounting in accordance with Ind AS 116; and development of initial estimates for discount rates.

From the work performed to date and based on the undiscounted lease commitments presented in note 31, it is anticipated that implementation of the new standard using the modified retrospective approach will have impact on the reported assets and liabilities of the Company.

These adjustments will lead to an increase in total assets and total liabilities at the date of transition as a result of the recognition of the right of use assets and the corresponding lease liabilities.

In addition, the implementation of the standard will impact the income statement and classification of cash flows.

While the total amount of expenses charged over the term of the lease remains the same, the distribution of such expenses over time and the breakdown of the same into depreciation on the right of use asset and interest expense on the lease liability.

A reliable estimate of the financial impact on the Company's results is dependent on a number of unresolved areas, including: choice of transition option, refinement of approach to discount rates, estimates of lease-term for leases with options to break and renew and conclusion of data collection. In addition, the financial impact is dependent on the facts and circumstances at the time of transition. For these reasons, it is not yet practicable to determine a reliable estimate of the financial impact on the Company.

ii) Appendix C to Ind AS 12 uncertainty over income tax treatment

The Interpretation addresses the accounting for income taxes when tax treatments involve uncertainty that affects the application of Ind AS 12 and does not apply to taxes or levies outside the scope of Ind AS 12, nor does it specifically include requirements relating to interest and penalties associated with uncertain tax treatments. The Interpretation specifically addresses the following:

- Whether an entity considers uncertain tax treatments separately
- The assumptions an entity makes about the examination of tax treatments by taxation authorities
- How an entity determines taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates
- How an entity considers changes in facts and circumstances

An entity has to determine whether to consider each uncertain tax treatment separately or together with one or more other uncertain tax treatments. The approach that better predicts the resolution of the uncertainty should be followed. In determining the approach that better predicts the resolution of the uncertainty, an entity might consider, for example, (a) how it prepares its income tax filings and supports tax treatments; or (b) how the entity expects the taxation authority to make its examination and resolve issues that might arise from that examination.

The interpretation is effective for annual reporting periods beginning on or after 1 April 2019, but certain transition reliefs are available. The Company will apply the interpretation from its effective date. Since the Company operates in a complex tax environment, applying the interpretation may affect its financial statements. In addition, the Company may need to establish processes and procedures to obtain information that is necessary to apply the interpretation on a timely basis.



AXISCADES, Inc.

Notes to the special purpose financial statements for the year ended March 31, 2019

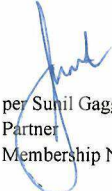
32 Previous Year Comparatives

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

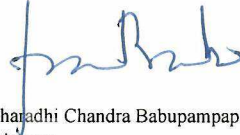
ICAI Firm Registration number : 101049W/E300004


per Sunil Gagar
Partner
Membership Number : 104315

Bengaluru
May 07, 2019



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


Shaadhi Chandra Babupampapathy
Director

Bengaluru
May 07, 2019



Kailash Mohan Rustagi
Director

Bengaluru
May 07, 2019