

Financial Statements and Auditors' Report

AXISCADES, Inc.

March 31, 2022

/

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of AXISCADES Technologies Limited (formerly AXISCADES Engineering Technologies Limited)

Report on the Audit of Special Purpose Indian Accounting Standards (Ind AS) Financial Statements of AXISCADES, Inc.**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, 2022, the Statement of Profit and Loss, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended March 31, 2022 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 Technologies Limited (formerly '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 are prepared in all material respects 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.

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 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.



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

The Holding Company's Board of Directors are responsible for preparation of these Special Purpose Ind AS Financial Statements 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 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.

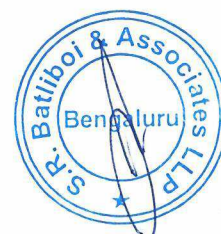
The Holding Company's Board of Directors are responsible for overseeing the Company's financial reporting process.

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 conditions that may cast significant doubt on the Company's ability to continue as a going concern.



S.R. BATLIBOI & ASSOCIATES LLP

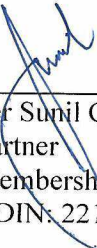
Chartered Accountants

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
UDIN: 22104315AJDKNK1843



Place of Signature: Bengaluru
Date: May 17, 2022

AXISCADES, Inc.**Balance Sheet as at March 31, 2022**

(All amounts in USD, unless otherwise stated)

	Notes	As at March 31, 2022	As at March 31, 2021
Assets			
Non-current assets			
Property, plant and equipment	3	11,876	20,722
Intangible assets	4	1,325	3,599
Right-of-use assets	28	1,17,364	2,15,713
Financial assets			
Investments	5	5,18,100	5,18,100
Other financial assets	9	5,279	-
Deferred tax asset, net	6	6,90,162	7,05,154
		13,44,106	14,63,288
Current assets			
Financial assets			
Trade receivables	7	31,73,477	32,95,198
Cash and cash equivalent	8	2,34,443	4,37,425
Other financial assets	9	8,93,449	7,34,290
Other current assets	10	1,15,311	88,145
		44,16,680	45,55,058
Total assets		57,60,786	60,18,346
Equity and liabilities			
Equity			
Equity share capital	11	22,47,227	22,47,227
Other equity	12	9,10,598	4,96,151
		31,57,825	27,43,378
Non-current liabilities			
Financial Liabilities			
Lease liabilities	13	30,027	1,39,154
		30,027	1,39,154
Current liabilities			
Financial Liabilities			
Borrowings	14	8,00,000	10,85,070
Lease liabilities	13	1,05,140	98,045
Trade payables	15	11,52,665	9,55,873
Other financial liabilities	16	3,29,036	6,73,851
Other current liabilities	17	1,36,144	2,88,225
Liabilities for current tax, net	18	49,949	34,750
		25,72,934	31,35,814
Total equity and liabilities		57,60,786	60,18,346

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

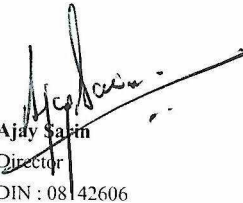

per **Sunil Gaggar**

Partner

Membership Number : 104315

Date: May 17, 2022

Place: Bengaluru

**For and on behalf of the Board of Directors**


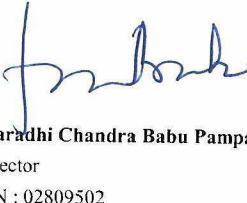
Ajay Sabin

Director

DIN : 08142606

Date: May 17, 2022

Place: Bengaluru



Sharadhi Chandra Babu Pampapathy

Director

DIN : 02809502

Date: May 17, 2022

Place: Bengaluru

AXISCADES, Inc.

Statement of Profit and Loss for the year ended March 31, 2022

(All amounts in USD, unless otherwise stated)

	Notes	Year ended March 31, 2022	Year ended March 31, 2021
Income			
Revenue from contracts with customers	19	1,70,76,519	1,72,91,467
Other income	20	5,260	71,437
Total income		1,70,81,779	1,73,62,904
Expenses			
Employee benefits expense	21	1,16,79,818	1,21,10,272
Depreciation and amortisation expenses	22	1,12,914	1,28,586
Finance cost	23	66,427	98,357
Other expenses	24	45,78,091	40,51,916
Total expense		1,64,37,250	1,63,89,131
Profit before tax		6,44,529	9,73,773
Current tax	25	2,02,419	32,803
Adjustment of tax relating to earlier years	25	-	(15,522)
Deferred tax charge	25	14,992	2,30,519
Income tax expense		2,17,411	2,47,800
Profit after tax		4,27,118	7,25,973
Other comprehensive income (OCI)		-	-
Total comprehensive income for the year, net of tax		4,27,118	7,25,973
Earnings per equity share			
Basic and diluted	26	21.65	36.80

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

Date: May 17, 2022

Place: Bengaluru



For and on behalf of the Board of Directors

Ajay Sarin

Director

DIN : 08142606

Date: May 17, 2022

Place: Bengaluru

Sharadhi Chandra Babu Pampapathy

Director

DIN : 02809502

Date: May 17, 2022

Place: Bengaluru

AXISCADES, Inc.
Statement of Changes in Equity for the year ended March 31, 2022
(All amounts in USD, unless otherwise stated)

A. Equity share capital

Equity shares with no par value fully paid up
As at April 1, 2020
Issued during the year
As at March 31, 2021
Issued during the year
As at March 31, 2022

Number	Amount
19,725	22,47,227
-	-
19,725	22,47,227
-	-
19,725	22,47,227

B. Other equity

As at April 1, 2020
Profit for the year
Share based payment reserve
As at March 31, 2021
Profit for the year
Share based payment reserve
As at March 31, 2022

Retained earnings	Total
(2,42,493)	(2,42,493)
7,25,973	7,25,973
12,671	12,671
4,96,151	4,96,151
4,27,118	4,27,118
(12,671)	(12,671)
9,10,598	9,10,598

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

Date: May 17, 2022
Place: Bengaluru



For and on behalf of the Board of Directors

Ajay Sarin
Director
DIN : 08142606

Date: May 17, 2022
Place: Bengaluru

Sharadhi Chandra Babu Pampapathy
Director
DIN : 02809502

Date: May 17, 2022
Place: Bengaluru

AXISCADES, Inc.
Statement of Cash Flows for the year ended March 31, 2022
 (All amounts in USD, unless otherwise stated)

	Year Ended March 31, 2022	Year ended March 31, 2021
(A) Cash flow from operating activities		
Profit before tax	6,44,529	9,73,773
Adjustments for:		
Depreciation of property, plant and equipment and right-of-use assets	1,10,640	1,26,312
Amortization of intangible assets	2,274	2,274
Lease modification	(5,916)	-
Finance cost	66,427	98,357
Provision for bad and doubtful debts	6,134	-
Provision no longer required written back	(5,260)	-
Share based payment expense	-	12,671
Unrealised gain or loss	52	-
Operating profit before working capital changes	8,18,880	12,13,387
Adjustments for working capital changes		
Decrease in trade receivables	1,20,795	6,92,095
(Increase) / decrease in other financial assets	(1,64,438)	4,95,321
(Increase) in other assets	(27,166)	(31,433)
Increase / (decrease) in trade payables	1,84,122	(5,14,047)
(Decrease) in other financial liabilities	(3,54,622)	(55,372)
Increase / (decrease) in other liabilities	(1,52,081)	2,84,044
Cash generated from operating activities	4,25,490	20,83,995
Direct taxes paid (net of refunds)	(1,87,220)	(3,38,752)
Net cash generated from operating activities (A)	2,38,270	17,45,243
(B) Cash flow from investing activities		
Purchase of property, plant and equipment, intangible assets	(4,406)	(26,112)
Net cash used in investing activities (B)	(4,406)	(26,112)
(C) Cash flow from financing activities		
Repayment of short term borrowings	(85,070)	(4,04,406)
Repayment of inter corporate deposit	(2,00,000)	(7,50,000)
Payment of principal portion of lease liabilities	(94,034)	(98,810)
Payment of interest portion of lease liabilities	(17,347)	(21,728)
Interest paid	(40,395)	(97,029)
Net cash used in financing activities (C)	(4,36,846)	(13,71,973)
Net increase / (decrease) in cash and cash equivalents (A+B+C)	(2,02,982)	3,47,158
Cash and cash equivalents at beginning of the year	4,37,425	90,267
Cash and cash equivalents at the end of the year	2,34,443	4,37,425

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

Date: May 17, 2022
 Place: Bengaluru



For and on behalf of the Board of Directors

Ajay Sarin
 Director
 DIN : 08142606

Date: May 17, 2022
 Place: Bengaluru

Sharadji Chandra Babu Pampapathy
 Director
 DIN : 02809502

Date: May 17, 2022
 Place: Bengaluru

AXISCADES, Inc.

Notes to the special purpose financial statement for the year ended March 31, 2022

(All amounts in USD, unless otherwise stated)

1 Corporate 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. These financial statements have been approved by the Board of Directors in the meeting held on May 17, 2022.

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').

The financial statements have been prepared by the Management solely to assist AXISCADES 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 Company 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
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is treated as current when :

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

The terms of the liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

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.



(This space has been intentionally left blank)

Two handwritten signatures in blue ink, one on the left and one on the right, positioned to the right of the blank space.

AXISCADES, Inc.

Notes to the special purpose financial statement for the year ended March 31, 2022

(All amounts in USD, unless otherwise stated)

2 Significant accounting policies (continued)

2.2 Summary of significant accounting policies (continued)

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

(i) 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 equipments	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.

(ii) Intangible assets

Intangible assets are recorded at the consideration paid for the acquisition of such assets and are carried at cost less accumulated amortisation and impairment. Advances paid towards the acquisition of intangible assets outstanding at each Balance Sheet date are disclosed as other non-current assets and the cost of intangible assets not ready for their intended use before such date are disclosed as intangible assets under development.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the Statement of Profit and Loss when the asset is derecognised.

The residual values, useful lives and methods of amortization of intangible assets are reviewed at each financial year end.

An intangible asset is derecognised upon disposal (i.e at the date the receipt obtains control) or when no future economic benefits are expected from its use or disposal. Any gain or loss arising upon derecognition of the asset (calculated as the difference between the net disposal proceeding and the carrying amount of the asset) is included in the statement of profit and loss. when the asset is decognised.

The Company amortises intangible assets 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>
Software	3 years



(This space has been intentionally left blank)

AXISCADES, Inc.

Notes to the special purpose financial statement for the year ended March 31, 2022

(All amounts in USD, unless otherwise stated)

2 Significant accounting policies (continued)

2.2 Summary of significant accounting policies (continued)

(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. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

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.

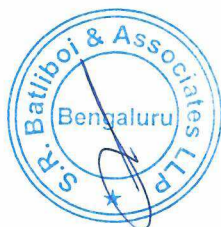
(e) Leases

The Company has lease contracts for buildings used in its operations. Lease terms generally ranges between 2 and 5 years.

The Company assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Company as lessee

The Company applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Company recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.



(This space has been intentionally left blank)

Two handwritten signatures in blue ink, one on the left and one on the right, positioned above the text "(This space has been intentionally left blank)".

AXISCADES, Inc.

Notes to the special purpose financial statement for the year ended March 31, 2022

(All amounts in USD, unless otherwise stated)

2 Significant accounting policies (continued)

2.2 Summary of significant accounting policies (continued)

(e) Leases (continued)

Right-of-use assets

The Company recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets.

If ownership of the leased asset transfers to the Company at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

The right-of-use assets are also subject to impairment. Refer to the accounting policies in note 2(c) for policy on impairment of non-financial assets.

Lease liabilities

At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating the lease, if the lease term reflects the Company exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Company uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

Short-term leases and leases of low-value assets

The Company applies the short-term lease recognition exemption to its short-term leases of machinery and equipment (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

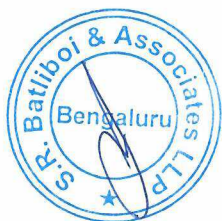
(f) Financial instruments

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.



Two handwritten signatures in blue ink, one on the left and one on the right, positioned above the stamp.

AXISCADES, Inc.

Notes to the special purpose financial statement for the year ended March 31, 2022

(All amounts in USD, unless otherwise stated)

2 Significant accounting policies (continued)

2.2 Summary of significant accounting policies (continued)

(f) Financial instruments (continued)

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 method.

Debt instrument at FVTPL

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

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

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



(This space has been intentionally left blank)

AXISCADES, Inc.

Notes to the special purpose financial statement for the year ended March 31, 2022

(All amounts in USD, unless otherwise stated)

2 Significant accounting policies (continued)

2.2 Summary of significant accounting policies (continued)

(f) Financial instruments (continued)

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.

(This space has been intentionally left blank)



AXISCADES, Inc.

Notes to the special purpose financial statement for the year ended March 31, 2022

(All amounts in USD, unless otherwise stated)

2 Significant accounting policies (continued)

2.2 Summary of significant accounting policies (continued)

(f) Financial instruments (continued)

Impairment of financial assets (continued)

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.

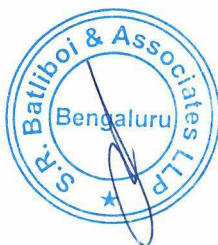
Trade receivables

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.

(This space has been intentionally left blank)



Two handwritten signatures in blue ink, one on the left and one on the right, positioned to the right of the text '(This space has been intentionally left blank)'. The signatures appear to be initials or names.

AXISCADES, Inc.

Notes to the special purpose financial statement for the year ended March 31, 2022

(All amounts in USD, unless otherwise stated)

2 Significant accounting policies (continued)

2.2 Summary of significant accounting policies (continued)

(f) Financial instruments (continued)

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.

(This space has been intentionally left blank)



AXISCADES, Inc.

Notes to the special purpose financial statement for the year ended March 31, 2022

(All amounts in USD, unless otherwise stated)

2 Significant accounting policies (continued)

2.2 Summary of significant accounting policies (continued)

(g) Revenue from contract with customer

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

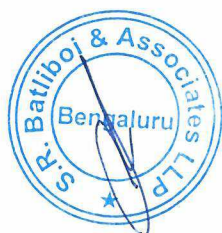
Contract assets:

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.



(This space has been intentionally left blank)

AXISCADES, Inc.

Notes to the special purpose financial statement for the year ended March 31, 2022

(All amounts in USD, unless otherwise stated)

2 Significant accounting policies (continued)

2.2 Summary of significant accounting policies (continued)

(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.

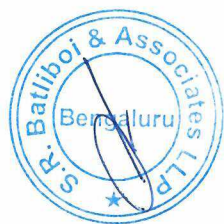
(i) Investment in Subsidiary

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.

(j) Earnings per share (EPS)

Basic EPS are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. Partly paid equity shares are treated as a fraction of an equity share to the extent that they are entitled to participate in dividends relative to a fully paid equity share during the reporting period. The weighted average number of equity shares outstanding during the period is adjusted for events such as bonus issue that have changed the number of equity shares outstanding, without a corresponding change in resources.

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



(This space has been intentionally left blank)

Two handwritten signatures in blue ink, one on the left and one on the right, positioned to the right of the text "(This space has been intentionally left blank)".

AXISCADES, Inc.

Notes to the special purpose financial statement for the year ended March 31, 2022

(All amounts in USD, unless otherwise stated)

2 Significant accounting policies (continued)

2.2 Summary of significant accounting policies (continued)

(k) 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.

(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.

(This space has been intentionally left blank)



Two handwritten signatures in blue ink, one on the left and one on the right, positioned to the right of the text "(This space has been intentionally left blank)".

AXISCADES, Inc.

Notes to the special purpose financial statement for the year ended March 31, 2022

(All amounts in USD, unless otherwise stated)

2 Significant accounting policies (continued)

2.2 Summary of significant accounting policies (continued)

(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.

(This space has been intentionally left blank)



Two handwritten signatures in blue ink, one on the left and one on the right, positioned to the right of the stamp.

AXISCADES, Inc.

Notes to the special purpose financial statement for the year ended March 31, 2022

(All amounts in USD, unless otherwise stated)

2 Significant accounting policies (continued)

2.2 Summary of significant accounting policies (continued)

(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.

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.



(This space has been intentionally left blank)

Two handwritten signatures in blue ink, one on the left and one on the right, positioned to the right of the blank space.

AXISCADES, Inc.

Notes to the special purpose financial statement for the year ended March 31, 2022

(All amounts in USD, unless otherwise stated)

3 Property, plant and equipment (PPE)

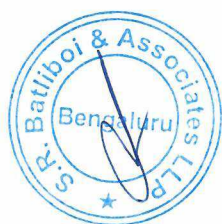
	Computers	Furniture and fixtures	Office equipments	Total
Cost				
As at April 01, 2020	78,699	30,379	1,161	1,10,239
Additions	2,359	-	159	2,518
Disposals	-	-	-	-
As at March 31, 2021	81,058	30,379	1,320	1,12,757
Additions	4,116	-	1,411	5,527
Disposals	-	-	-	-
As at March 31, 2022	85,174	30,379	2,731	1,18,284
Accumulated depreciation				
As at April 01, 2020	41,600	28,946	569	71,115
Charge for the year	20,470	450	-	20,920
Disposals	-	-	-	-
As at March 31, 2021	62,070	29,396	569	92,035
Charge for the year	13,996	197	180	14,373
Disposals	-	-	-	-
As at March 31, 2022	76,066	29,593	749	1,06,408
Net book value				
As at March 31, 2021	18,988	983	751	20,722
As at March 31, 2022	9,108	786	1,982	11,876

- (i) There are no contractual commitments for the acquisition of property, plant and equipment.
(ii) Details of property, plant and equipment pledged as security - refer note 14.

4 Intangible assets

	Software	Total
Cost		
As at April 01, 2020	6,827	6,827
Additions	-	-
Disposals	-	-
As at March 31, 2021	6,827	6,827
Additions	-	-
Disposals	-	-
As at March 31, 2022	6,827	6,827
Accumulated amortisation		
As at April 01, 2020	954	954
Charge for the year	2,274	2,274
Disposals	-	-
As at March 31, 2021	3,228	3,228
Charge for the year	2,274	2,274
Disposals	-	-
As at March 31, 2022	5,502	5,502
Net block		
As at March 31, 2021	3,599	3,599
As at March 31, 2022	1,325	1,325

(This space has been intentionally left blank)



Handwritten signatures in blue ink, one on the left and one on the right.

AXISCADES, Inc.
Notes to the special purpose financial statement for the year ended March 31, 2022
 (All amounts in USD, unless otherwise stated)

5 Investment

Trade (unquoted, valued at cost)

Investments in equity instrument of subsidiary:

AXISCADES UK Limited 575,476 equity shares of GBP 1 each. (March 31, 2021 : 575,476)

Less: Impairment allowance (refer note (i) below)

Total Investment

Aggregate value of unquoted investments

Aggregate amount of impairment in value of investments

	As at March 31, 2022	As at March 31, 2021
	11,49,031	11,49,031
	(6,30,931)	(6,30,931)
	5,18,100	5,18,100
	11,49,031	11,49,031
	6,30,931	6,30,931

Note-

- (i) The recoverable amount of the investment in AXISCADES UK Limited of USD 5,18,000 as at March 31, 2022 (March 31, 2021: USD 5,18,000), has been determined based on a equity valuation calculated using cash flow projections covering a four-year period. It was concluded that the recoverable amount exceed the carrying amount, hence no impairment was recognised for the financial year ending March 31, 2022 (March 31, 2021 : Nil).

- (ii) **Description of valuation techniques used and key inputs to valuation on equity valuation of subsidiary:**

Assumptions	For the year ended March 31, 2022	For the year ended March 31, 2021
- Valuation technique	DCF	DCF
- Significant unobservable inputs		
Discount rate	11.60%	11.20%
Long term sustainable annual growth	1.00%	1.00%

6 Deferred tax asset, net

- on Expected credit loss for trade receivables
 - on Impairment allowance of investment
 - on Property, plant and equipment and Right-to-use asset
- Total deferred tax asset (i)**

Deferred tax liability

- on Property, plant and equipment and Right-to-use asset
- Total deferred tax liability (ii)**

Deferred tax asset, net [i-ii]

	As at March 31, 2022	As at March 31, 2021
	5,20,261	5,37,622
	1,75,098	1,71,392
	256	2,566
	6,95,615	7,11,580
	5,453	6,426
	5,453	6,426
	6,90,162	7,05,154

7 Trade receivables

Trade receivables

Break up of trade receivables

- Secured, considered good
- Unsecured, considered good
- Trade Receivables which have significant increase in credit risk
- Trade Receivables - credit impaired (refer note (iii) below)

Impairment Allowance (allowance for bad and doubtful debts)

- Unsecured, considered good
- Trade Receivables which have significant increase in credit risk
- Trade Receivables - credit impaired (refer note (iii) below)

	As at March 31, 2022	As at March 31, 2021
	31,73,477	32,95,198
	31,73,477	32,95,198
	-	-
	31,73,477	32,95,198
	18,85,765	18,84,891
	-	9,30,970
	50,59,242	61,11,059
	-	-
	18,85,765	18,84,891
	-	9,30,970
	18,85,765	28,15,861
	31,73,477	32,95,198

(This space has been intentionally left blank)



Trade receivables ageing schedule as on 31st March 2022

Particulars	Not Due	Outstanding for the following periods from the due date of payment					Total
		Less than 6 months	6 months- 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed trade receivables- considered good	29,97,171	1,75,011	1,295	-	-	-	31,73,477
(ii) Undisputed trade receivables- which has significant increase in credit risk	-	-	-	-	-	-	-
(iii) Undisputed trade receivables- credit impaired	-	-	-	-	-	-	-
(iv) Disputed trade receivables- considered doubtful	-	-	-	-	-	18,85,765	18,85,765
(iv) Disputed trade receivables- which has significant increase in credit risk	-	-	-	-	-	-	-
(iv) Disputed trade receivables- credit impaired	-	-	-	-	-	-	-
Total	29,97,171	1,75,011	1,295	-	-	18,85,765	50,59,242

Trade receivables ageing schedule as on 31st March 2021

Particulars	Not Due	Outstanding for the following periods from the due date of payment					Total
		Less than 6 months	6 months- 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed trade receivables- considered good	30,09,988	2,80,841	3,155	1,214	-	-	32,95,198
(ii) Undisputed trade receivables- which has significant increase in credit risk	-	-	-	-	-	-	-
(iii) Undisputed trade receivables- credit impaired	-	-	-	-	-	-	-
(iv) Disputed trade receivables- considered doubtful	-	-	-	-	-	18,84,891	18,84,891
(iv) Disputed trade receivables- which has significant increase in credit risk	-	-	-	-	-	-	-
(iv) Disputed trade receivables- credit impaired	-	-	-	-	-	9,30,970	9,30,970
Total	30,09,988	2,80,841	3,155	1,214	-	28,15,861	61,11,059

Note:

- (i) No trades or other receivables are due from directors or other officers of the Company either severally or jointly with any other person. Nor any trade or other receivable are due from firms or private companies respectively in which any director is a partner, a director or a member.
- (ii) Trade receivables are non-interest bearing and are generally on terms of 30 to 120 days.
- (iii) The impairment allowance pertains to receivables from customer whose payments are significantly delayed. The Management is taking necessary steps including legal actions, where necessary, to recover these outstanding receivables.

8 Cash and cash equivalent

	As at March 31, 2022	As at March 31, 2021
Balances with banks		
- on current accounts	2,34,443	4,37,425
	2,34,443	4,37,425

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

	As at March 31, 2022	As at March 31, 2021
Balances with banks	2,34,443	4,37,425
	2,34,443	4,37,425

Changes in liabilities arising from financing

Particulars	As at April 1, 2021	Cash Flow(net)	Non cash changes		As at March 31, 2022
			Change in fair value	Others	
Current and non current lease liabilities (refer note 28)	2,37,199	(1,11,381)	-	9,349	1,35,167
Loan from bank	85,070	(85,070)	-	-	-
Loans from related party	10,00,000	(2,00,000)	-	-	8,00,000

(This space has been intentionally left blank)



Handwritten signatures in blue ink.

AXISCADES, Inc.
Notes to the special purpose financial statement for the year ended March 31, 2022
 (All amounts in USD, unless otherwise stated)

9 Other financial assets

Financial assets at amortised cost

Non-current

(Unsecured, considered good)

Security deposits

Current

(Unsecured, considered good)

Security deposits

Contract asset - Unbilled revenue

Other receivable from related parties (refer note 27)

	As at March 31, 2022	As at March 31, 2021
	5,279	-
	5,279	-
	-	5,779
	8,61,705	7,07,942
	31,744	20,569
	8,93,449	7,34,290

10 Other current assets

(Unsecured, considered good)

Prepaid expenses

Advance to employees

Advance to vendors

	As at March 31, 2022	As at March 31, 2021
	1,06,811	83,145
	8,500	-
	-	5,000
	1,15,311	88,145

Breakup of financial assets carried at amortised cost

Trade receivables

Cash and cash equivalent

Other financial assets

Total financial assets carried at amortised cost

Note	As at March 31, 2022	As at March 31, 2021
7	31,73,477	32,95,198
8	2,34,443	4,37,425
9	8,98,728	7,34,290
	43,06,648	44,66,913

(This space has been intentionally left blank)



Two handwritten signatures in blue ink, one on the left and one on the right, positioned to the right of the stamp.

AXISCADES, Inc.

Notes to the special purpose financial statement for the year ended March 31, 2022

(All amounts in USD, unless otherwise stated)

11 Equity share capital

	As at March 31, 2022		As at March 31, 2021	
	Number	Amount	Number	Amount
Authorised share capital				
Equity shares with no par value, fully paid up	19,725	22,47,227	19,725	22,47,227
	19,725	22,47,227	19,725	22,47,227
Issued, subscribed and paid-up share capital				
Equity shares with no par value, fully paid up	19,725	22,47,227	19,725	22,47,227
	19,725	22,47,227	19,725	22,47,227

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

	As at March 31, 2022		As at March 31, 2021	
	Number	Amount	Number	Amount
Equity shares with no par value, fully paid				
At the beginning of the year	19,725	22,47,227	19,725	22,47,227
Add: Issued and subscribed during the year	-	-	-	-
Outstanding at the end of the year	19,725	22,47,227	19,725	22,47,227

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.

Equity share holders are entitled to receive dividend out of profits declared by Board of Directors. 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

	As at March 31, 2022		As at March 31, 2021	
	Number	Amount	Number	Amount
AXISCADES Technologies Limited	19,725	22,47,227	19,725	22,47,227
	19,725	22,47,227	19,725	22,47,227

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

	As at March 31, 2022		As at March 31, 2021	
	Number	Percentage	Number	Percentage
AXISCADES Technologies Limited	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.

f. Details of shares held by promoter

As at March 31, 2022

Promoter name	No. of shares at beginning of the year	Change during the year	No. of shares at the end of the year	% Total shares	% change during the year
AXISCADES Technologies Limited	19725	-	19725	100%	-

As at March 31, 2021

Promoter name	No. of shares at beginning of the year	Change during the year	No. of shares at the end of the year	% Total shares	% change during the year
AXISCADES Technologies Limited	19725	-	19725	100%	-

12 Other equity

Retained earnings

	As at March 31, 2022	As at March 31, 2021
Balance at the beginning of the year	4,96,151	(2,42,493)
Add: Profit for the year	4,27,118	7,25,973
Add/(less): Share based payment	(12,671)	12,671
Balance at the end of the year	9,10,598	4,96,151



Two handwritten signatures in blue ink, one above the other, located at the bottom right of the page.

AXISCADES, Inc.

Notes to the special purpose financial statement for the year ended March 31, 2022

(All amounts in USD, unless otherwise stated)

13 Lease liabilities

	As at March 31, 2022	As at March 31, 2021
Carried at amortised cost		
Non current		
Lease liabilities (refer note 28)	1,35,167	2,37,199
Less: Current maturity of lease liabilities	(1,05,140)	(98,045)
Total non-current lease liabilities	30,027	1,39,154
Current		
Lease liabilities (refer note 28)	1,05,140	98,045
	1,05,140	98,045

14 Borrowings

	As at March 31, 2022	As at March 31, 2021
Secured		
Loan from bank		
Working capital loan (refer note (i) below)	-	85,070
Unsecured		
Loans from related party (refer note (ii) below)	8,00,000	10,00,000
	8,00,000	10,85,070

(i) Terms of loan -

a. For the Current year and Previous year loan - the working capital loan carries variable interest rate per annum of Wall Street Journal Prime Rate + 2.00% with a floor of 7.50% per annum. Interest and Maintenance Fees shall be calculated on the higher of the actual average monthly loan balance from the prior month or a minimum average loan balance of USD 500,000. The loan is repayable on demand. The working capital loan is secured by a perfected security interest in all the assets including a first security interest in accounts receivable and contract rights.

(ii) The Company has availed inter-corporate deposits ('ICD') from AXISCADES Technology Canada Inc, fellow subsidiary of the Company. The balance as at March 31, 2022 is USD 800,000 (March 31, 2021 : USD 1,000,000). The ICD carries an interest rate of 4% per annum (March 31, 2021 : 4% per annum) and is repayable on demand. Also refer note 27 for related party disclosures.

15 Trade payables

	As at March 31, 2022	As at March 31, 2021
Dues to related parties (refer note 27)	5,75,680	5,17,805
Dues to others	5,76,985	4,38,068
	11,52,665	9,55,873

Trade Payables ageing schedule as at 31 March 2022

Particulars	Not Due	Outstanding for the following periods from the due date of payment			Total
		Less than 1 year	1-2 years	More than 3 years	
(i) Trade payables	11,28,649	24,016	-	-	11,52,665
(ii) Disputed trade payables	-	-	-	-	-
(iii) Disputed dues- Others	-	-	-	-	-
Total	11,28,649	24,016	-	-	11,52,665

Trade Payables ageing schedule as at 31 March 2021

Particulars	Not Due	Outstanding for the following periods from the due date of payment			Total
		Less than 1 year	1-2 years	More than 3 years	
(i) Trade payables	9,55,873	-	-	-	9,55,873
(ii) Disputed trade payables	-	-	-	-	-
(iii) Disputed dues- Others	-	-	-	-	-
Total	9,55,873	-	-	-	9,55,873

16 Other current financial liabilities

	As at March 31, 2022	As at March 31, 2021
Financial liabilities at amortised cost		
Interest accrued on inter corporate deposit (refer note 27)	8,685	-
Creditors for capital goods	1,121	-
Dues to employees	3,19,230	6,73,851
	3,29,036	6,73,851



Handwritten signatures of two individuals, likely representing the company's management or auditors.

AXISCADES, Inc.

Notes to the special purpose financial statement for the year ended March 31, 2022

(All amounts in USD, unless otherwise stated)

17 Other current liabilities

	As at March 31, 2022	As at March 31, 2021
Duties and taxes payable	1,36,144	2,88,225
	<u>1,36,144</u>	<u>2,88,225</u>

18 Liability for current tax, net

	As at March 31, 2022	As at March 31, 2021
Provision for taxes (net of advance tax)	49,949	34,750
	<u>49,949</u>	<u>34,750</u>

Breakup of financial liabilities carried at amortised cost

	Note	As at March 31, 2022	As at March 31, 2021
Lease liabilities	13	1,35,167	2,37,199
Borrowings	14	8,00,000	10,85,070
Trade payables	15	11,52,665	9,55,873
Other current financial liabilities	16	3,29,036	6,73,851
Total financial liabilities carried at amortised cost		<u>24,16,868</u>	<u>29,51,993</u>



(This space has been intentionally left blank)

Two handwritten signatures in blue ink, one on the left and one on the right, positioned below the text '(This space has been intentionally left blank)'. The signatures are stylized and appear to be initials or names.

AXISCADES, Inc.

Notes to the special purpose financial statement for the year ended March 31, 2022

(All amounts in USD, unless otherwise stated)

19 Revenue from contracts with customers

Sale of services
IT enabled services

Year ended March 31, 2022	Year ended March 31, 2021
1,70,76,519	1,72,91,467
1,70,76,519	1,72,91,467

19.1 Disaggregated revenue information

Set out below is the disaggregation of the Company's revenue from contracts with customers:

USA
outside USA
Total revenue from contracts with customers

Year ended March 31, 2022	Year ended March 31, 2021
1,70,47,919	1,72,34,467
28,600	57,000
1,70,76,519	1,72,91,467

19.2 Contract assets

Trade receivables (refer note 7)
Contract assets- Unbilled revenue (refer note 9)

Year ended March 31, 2022	Year ended March 31, 2021
31,73,477	32,95,198
8,61,705	7,07,942

Contract asset 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.

19.3 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, 2022.

20 Other income

Provision no longer required, written back
Government Incentives
Miscellaneous income

Year ended March 31, 2022	Year ended March 31, 2021
5,260	13,500
-	50,402
-	7,535
5,260	71,437

21 Employee benefits expense

Salaries, wages and bonus
Contribution to social security
Staff welfare expenses
Employee stock Option expenses

Year ended March 31, 2022	Year ended March 31, 2021
1,04,30,052	1,08,02,271
6,94,997	6,98,270
4,78,429	5,97,060
76,340	12,671
1,16,79,818	1,21,10,272

22 Depreciation and amortization expense

Depreciation of property, plant and equipment (refer note 3)
Amortization of intangible assets (refer note 4)
Amortization of Right-of-use assets (refer note 28)

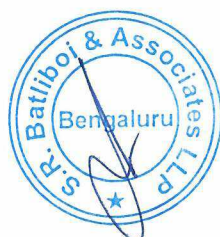
Year ended March 31, 2022	Year ended March 31, 2021
14,373	20,920
2,274	2,274
96,267	1,05,392
1,12,914	1,28,586

23 Finance cost

Interest on loans from bank
Interest on inter-corporate deposit (refer note 27)
Interest on lease liabilities (refer note 28)

Year ended March 31, 2022	Year ended March 31, 2021
9,885	21,122
39,195	55,507
17,347	21,728
66,427	98,357

(This space has been intentionally left blank)



AXISCADES, Inc.

Notes to the special purpose financial statement for the year ended March 31, 2022

(All amounts in USD, unless otherwise stated)

24 Other expenses

	Year ended March 31, 2022	Year ended March 31, 2021
Software subscription charges	2,33,972	2,28,055
Sub-contracting charges	31,08,754	28,92,535
Legal and professional charges	3,49,765	2,62,068
Payment to auditors (refer note (i) below)	11,000	11,000
Travelling and conveyance	90,044	90,998
Rent	19,385	26,674
Recruitment and training expenses	88,565	34,547
Insurance expenses	58,062	66,238
Communication expenses	21,148	26,131
Printing and stationery	4,717	4,458
Project expenses	11,875	1,222
Postage and courier charges	2,103	3,528
Repairs and maintenance		
- Buildings	24,234	24,555
- Others	44,302	51,288
Advertising and marketing expenses	4,22,940	2,29,211
Power and fuel	10,626	10,555
Rates and taxes	30,189	41,502
Expected credit loss for trade receivables	6,134	-
Bank charges	34,346	42,928
Miscellaneous expenses	5,930	4,423
	45,78,091	40,51,916

(i) Payment to auditors

	Year ended March 31, 2022	Year ended March 31, 2021
Audit fees	11,000	11,000
	11,000	11,000

25 Income tax

The major components of income tax expense are:

	Year ended March 31, 2022	Year ended March 31, 2021
Current Income tax-		
Current income tax charge	2,02,419	32,803
Adjustment of tax (credit) relating to earlier years	-	(15,522)
Deferred tax charge		
Relating to origination and reversal of temporary differences	14,992	2,30,519
Income tax expense reported in Statement of profit and loss	2,17,411	2,47,800

Reconciliation of tax expenses and the accounting profit multiplied by domestic tax rate

	Year ended March 31, 2022	Year ended March 31, 2021
Accounting Profit before tax	6,44,529	9,73,773
Tax on accounting profit at statutory income tax rate [27.14%] (March 31, 2021: 27.8%)	1,74,925	2,70,709
Adjustment of tax (credit) relating to earlier years	-	15,522
Tax impact on utilisation of losses of earlier years on which no deferred tax was created	-	(64,754)
GILTI Income	18,361	-
Other non deductible expenses	24,125	26,323
Tax expense at the effective income tax rate	2,17,411	2,47,800
Income tax reported in the Statement of Profit and Loss	2,17,411	2,47,800

26 Earnings per share (EPS)

The following reflects the profit and share data used in basic and diluted EPS computation:

	Year ended March 31, 2022	Year ended March 31, 2021
a) Profit after tax attributable to equity shares	4,27,118	7,25,973
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	21.65	36.80



(This space has been intentionally left blank)

AXISCADES, Inc.

Notes to the special purpose financial statement for the year ended March 31, 2022

(All amounts in USD, unless otherwise stated)

27 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 Technologies Limited
Subsidiary Company	AXISCADES UK 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.
Fellow Subsidiary	Axis Mechanical Engineering Design (Wuxi) Co., Ltd.

iii. List of Key management personnel

Director and Chief Executive Officer	Mr. Ajay Sarin
Director	Ms. Mariam Mathews (appointed as Director w.e.f November 27, 2020)
Director	Mr. Arun Krishnamurthi (appointed as Director w.e.f March 3, 2022)
Director	Mr. Sharadhi Chandra Babu Pampapathy

iv. Transactions with above related parties during the year :

Name of Related Party	Nature of Transaction	March 31, 2022	March 31, 2021
AXISCADES Technologies Limited	Expenses incurred on behalf of the Holding Company, cross charged		
	Software subscription charges	83,590	39,086
	Employee benefit expense	-	34,290
	Expenses incurred by Holding Company on behalf of the Company, cross charged		
	Software subscription charges	53,683	52,856
	Legal expenses	12,930	14,297
	Travelling and conveyance	35,151	17,328
	Insurance Expenses	15,439	16,997
	Employee benefit expense	3,56,286	2,62,892
		Sub contracting services provided by the Holding Company	
	Sub-contracting charges	29,71,032	28,16,462
AXISCADES Technology Canada Inc	Repayment of Inter-corporate deposit	2,00,000	15,00,000
	Receipt of Inter-corporate deposit	-	7,50,000
	Employee benefit expense	10,238	-
	Interest expense	39,195	55,507
AXISCADES UK Limited	Expenses incurred on behalf of subsidiary, cross charged		
	Employee benefit expenses	-	1,469
	Sub contracting services provided by the subsidiary		
	Sub-contracting charges	-	5,957
Axis Mechanical Engineering Design (Wuxi) Co., Ltd.	Sub-contracting charges	21,281	2,736
Mr. Ajay Sarin	Remuneration	3,98,336	3,00,888

v. Balances as at the year end

Name of Related Party	Nature of balance	March 31, 2022	March 31, 2021
AXISCADES Technologies Limited	Trade payables	8,08,971	5,17,805
	Other financial assets	31,744	20,569
AXISCADES Technology Canada Inc.	Inter-corporate deposit payable	8,00,000	10,00,000
	Trade payables	10,238	-
	Other current liabilities - Interest accrued on ICD	8,685	-
AXISCADES UK Limited	Investment, net of impairment allowance (refer note 6 (i))	5,18,100	5,18,100
Axis Mechanical Engineering Design (Wuxi) Co.,	Trade payables	24,016	2,736
Mr. Ajay Sarin	Remuneration payable	1,01,218	1,30,783

Terms and conditions of transactions with related parties

Outstanding balances at the year-end are unsecured, interest free (except in case of ICD) 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, 2022, the Company has not recorded any impairment of receivables relating to amounts owed by related parties (March 31, 2021: 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.



AXISCADES, Inc.

Notes to the special purpose financial statement for the year ended March 31, 2022

(All amounts in USD, unless otherwise stated)

28 Leases

Company as a lessee

The Company has entered into property leases consisting of Company's offices. These leases are for a period of two to five years. The Company's obligations under its leases are secured by the lessor's title to the leased assets. Generally, the Company is restricted from assigning and subleasing the leased assets. These lease contracts include extension and termination options.

The Company also has certain leases of premises with lease terms of 12 months or less and leases of premises with low value. The Company applies the 'short-term lease' and 'lease of low-value assets' recognition exemptions for these leases.

a) Below are the carrying amounts of right-of-use assets recognised and the movements during the year:

	Leasehold Buildings	Total
As at April 01, 2020	1,83,393	1,83,393
Additions	2,27,141	2,27,141
Deletions	(89,429)	(89,429)
Amortization expense	(1,05,392)	(1,05,392)
As at March 31, 2021	2,15,713	2,15,713
Additions	-	-
Amortization expense	(96,267)	(96,267)
Deletions	(2,082)	(2,082)
As at March 31, 2022	1,17,364	1,17,364

b) Below are the carrying amounts of lease liabilities and the movements during the year:

	Leasehold Buildings	Total
As at April 01, 2020	1,97,904	1,97,904
Additions	2,27,141	2,27,141
Deletions	(89,036)	(89,036)
Accretion of interest	21,728	21,728
Interest payments	(21,728)	(21,728)
Principal payments	(98,810)	(98,810)
As at March 31, 2021	2,37,199	2,37,199
Additions	-	-
Deletions	(7,998)	(7,998)
Accretion of interest	17,347	17,347
Interest payments	(17,347)	(17,347)
Principal payments	(94,034)	(94,034)
As at March 31, 2022	1,35,167	1,35,167
	March 31, 2022	March 31, 2021
Current	1,05,140	98,045
Non-current	30,027	1,39,154
	1,35,167	2,37,199

c) The table below provides details regarding the contractual maturities of lease liabilities as at March 31, 2022 and March 31, 2021 on an undiscounted basis:

	March 31, 2022	March 31, 2021
Less than one year	1,12,572	1,14,312
One to five years	30,354	1,48,612
More than five years	-	-
	1,42,926	2,62,924

d) The effective interest rate for lease liabilities is 9.90%, with maturity between 2023-2024 for leasehold buildings.

e) The following are the amounts recognised in the statement of profit and loss:

	March 31, 2022	March 31, 2021
Depreciation expense of right-of-use assets	96,267	1,05,392
Interest expense on lease liabilities	17,347	21,728
Expense relating to leases of low-value assets (included in other expenses) (refer note 24)	19,385	26,674
Total amount recognised in profit or loss	1,32,999	1,53,794

The Company had total cash outflows for leases of USD 111,381 for the year ended March 31, 2022 (March 31, 2021 USD 120,538). The Company had not added any non-cash additions to right-of-use assets and lease liabilities for the year ended March 31, 2022 (March 31, 2021 USD 227,141). There are no future cash outflows relating to leases that have not yet commenced.



Handwritten signatures in blue ink.

AXISCADES, Inc.

Notes to the special purpose financial statement for the year ended March 31, 2022

(All amounts in USD, unless otherwise stated)

29 Ratio Analysis and its elements

Particulars	Numerator	Denominator	March 31, 2022	March 31, 2021	% change	Reason for variance
(a) Current Ratio	Current Asset	Current Liabilities	1.72	1.45	18.17%	
(b) Debt-Equity Ratio	Total Debt	Shareholder's Equity	0.30	0.48	-38.56%	repayment of borrowings during the year
(c) Debt Service Coverage Ratio	Earnings for debt service = Net profit after taxes + Non-cash operating expenses	Debt service = Interest & Lease Payments + Principal Repayments	1.38	0.69	98.23%	repayment of borrowings during the year
(d) Return on Equity Ratio	Net Profits after taxes – Preference Dividend	Total Equity	0.14	0.31	-52.66%	decline in profit during the year
(e) Trade Receivables turnover ratio	Net credit sales = Gross credit sales - sales return	Average Trade Receivable	5.28	4.75	11.18%	
(f) Trade payables turnover ratio	Net credit purchases = Gross credit purchases - purchase return	Average Trade Payable	16.20	14.26	13.62%	
(g) Net capital turnover ratio	Net sales = Total sales - sales return	Working capital = Current assets – Current liabilities	10.47	19.00	-44.92%	decline in average trade receivable during the year
(h) Net profit ratio	Net Profit	Net sales = Total sales - sales return	0.03	0.04	-40.43%	decline in profit during the year
(i) Return on Capital employed	Earnings before interest and taxes	Capital Employed = Tangible Net Worth + Total Debt – Deferred Tax	0.17	0.76	-77.03%	decline in EBIT during the year



(This space has been intentionally left blank)

AXISCADES, Inc.**Notes to the special purpose financial statement for the year ended March 31, 2022**

(All amounts in USD, unless otherwise stated)

30 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 and design services.

The Company is predominantly engaged in the business of Engineering Design Services, which constitutes a single business segment and is governed by similar set of risks and returns. The operations of the Company primarily cater to the market located in USA, which the Management views as a single segment. The Management monitors the operating results of its single segment for the purpose of making decisions about resource allocation and performance assessment. Two customers accounted for USD 7,265,203 and USD 7,068,168 (March 31, 2021: USD 7,746,187 and USD 6,732,204) which is more than 10% of the total revenue of the Company for the year ended March 31, 2022.

The Company is domiciled in USA. The Company's revenue from operations from external customers primarily relate to operations outside USA. Revenue from customer located in USA amounts to USD 17,047,919 and from outside USA amounts to USD 28,600. Majority of the non-current assets of the Company are located in USA.

31 Fair value measurements**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, 2022 and March 31, 2021:

Quantitative disclosure fair value measurement hierarchy as at March 31, 2022

Particulars	Note	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						
Investments*	5	March 31, 2022	5,18,100	-	-	5,18,100
Trade receivables*	7	March 31, 2022	31,73,477	-	-	31,73,477
Cash and cash equivalent*	8	March 31, 2022	2,34,443	-	-	2,34,443
Other financial assets*	9	March 31, 2022	8,98,728	-	-	8,98,728
Liabilities carried at amortised cost for which fair value are disclosed						
Lease liabilities*	13	March 31, 2022	1,35,167	-	-	1,35,167
Borrowings#	14	March 31, 2022	8,00,000	-	-	8,00,000
Trade payables	15	March 31, 2022	11,52,665	-	-	11,52,665
Other financial liabilities*	16	March 31, 2022	3,29,036	-	-	3,29,036

Quantitative disclosure fair value measurement hierarchy as at March 31, 2021

Particulars	Note	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						
Investments*	5	March 31, 2021	5,18,100	-	-	5,18,100
Trade receivables*	7	March 31, 2021	32,95,198	-	-	32,95,198
Cash and cash equivalent*	8	March 31, 2021	4,37,425	-	-	4,37,425
Other financial assets*	9	March 31, 2021	7,34,290	-	-	7,34,290
Liabilities carried at amortised cost for which fair value are disclosed						
Lease liabilities*	13	March 31, 2021	2,37,199	-	-	2,37,199
Borrowings#	14	March 31, 2021	10,85,070	-	-	10,85,070
Trade payables	15	March 31, 2021	9,55,873	-	-	9,55,873
Other financial liabilities*	16	March 31, 2021	6,73,851	-	-	6,73,851

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

The fair values of these accounts were calculated based on cash flow discounted using a current lending/ borrowing rate and other relevant assumptions.

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



AXISCADES, Inc.**Notes to the special purpose financial statement for the year ended March 31, 2022**

(All amounts in USD, unless otherwise stated)

32 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	Note	March 31, 2022	March 31, 2021
Borrowings	14	8,00,000	10,85,070
Cash and cash equivalent	8	(2,34,443)	(4,37,425)
Net Debt (A)		5,65,557	6,47,645
Equity share capital	11	22,47,227	22,47,227
Other equity	12	9,10,598	4,96,151
Total capital (B)		31,57,825	27,43,378
Capital and net debt (C= A+B)		37,23,382	33,91,023
Gearing Ratio (D = A/C)		15.19%	19.10%

No changes were made in the objectives, policies or processes for managing capital during the year ended March 31, 2022 and March 31, 2021.

33 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 3,173,478 as of March 31, 2022 (March 31, 2021: USD 3,295,198).

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. In accordance with 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 worthiness of the various customers and Company's historical experience for customers.

Assets under credit risk:

	March 31, 2022	March 31, 2021
Trade receivables	31,73,477	32,95,198
Other financial assets	8,98,728	7,34,290
Total	40,72,205	40,29,488

Credit risk exposure

The allowance for life time expected credit loss on customer balances for the year ended March 31, 2022 was USD 18,85,765 [March 31, 2021: USD 18,84,891].

	March 31, 2022	March 31, 2021
Balance at the beginning of the year	18,84,891	28,15,861
Impairment loss recognised	6,134	-
Impairment loss reversed	(5,260)	(9,30,970)
Balance at the end of the year	18,85,765	18,84,891

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 18,85,765 as at March 31, 2022 and USD 18,84,891 as at March 31, 2021. 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.



AXISCADES, Inc.

Notes to the special purpose financial statement for the year ended March 31, 2022

(All amounts in USD, unless otherwise stated)

33 Financial risk management (continued)

(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, 2022, the Company had a working capital of USD 18,43,747; (Working capital as on March 31, 2021: USD 14,02,978) including cash and cash equivalents of USD 2,34,443 (March 31, 2021: USD 4,37,425).

As at March 31, 2022	Note	Less than 1 year	1 year to 5 years	More than 5 years	Total
Lease liabilities	13	1,05,140	30,027	-	1,35,167
Borrowings	14	8,00,000	-	-	8,00,000
Trade payables	15	11,52,665	-	-	11,52,665
Other current financial liabilities	16	3,29,036	-	-	3,29,036
Total		23,86,841	30,027	-	24,16,868

As at March 31, 2021	Note	Less than 1 year	1 year to 5 years	More than 5 years	Total
Lease liabilities	13	98,045	1,39,154	-	2,37,199
Borrowings	14	10,85,070	-	-	10,85,070
Trade payables	15	9,55,873	-	-	9,55,873
Other current financial liabilities	16	6,73,851	-	-	6,73,851
Total		28,12,839	1,39,154	-	29,51,993

(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.

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	March 31, 2022	March 31, 2021
Variable rate borrowing	-	85,070
Fixed rate borrowing	8,00,000	10,00,000
	8,00,000	10,85,070

Sensitivity

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

	March 31, 2022	March 31, 2021
Interest rates – increase by 100 basis points	-	851
Interest rates – decrease by 100 basis points	-	(851)

34 The Company's operations and financial results have been impacted by the outbreak of COVID-19 pandemic. The full impact of COVID-19 still remains uncertain and could be different from the estimates considered while preparing these financial results. The Company will continue to closely monitor any material changes to future economic conditions.

35 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

Date: May 17, 2022
Place: Bengaluru



For and on behalf of the Board of Directors

Ajay Srin
Director
DIN : 08142606

Date: May 17, 2022
Place: Bengaluru

Sharadhi Chandra Babu Pampapathy
Director
DIN : 02809502

Date: May 17, 2022
Place: Bengaluru