

Director's Report

To The Members

Your Directors are pleased to present their report on the business operations of the company for the period from 1st April 12 to 31st March 13 and subsequent events to date. While audit is not mandated in US for small enterprises, however Axis Inc. has got its accounts audited by Walker Chandlok & Co., Chartered Accountants, for the purpose of publishing the consolidated accounts of its parent company Axis IT&T in accordance with the statutory requirements in India.

I. Financial Results for 4/1/2012-3/31/2013 (in US\$)

	FY 2012-13	FY 2011-12
Total Income	23,130,970	24,034,383
Expenditures before I&D	22,784,319	22,544,995
Profit before I&D	346,651	1,489,388
Interest Expenses	62,422	48,102
Depreciation	90,907	55,342
Net Profit before Tax	193,322	1,385,944
Profit after Tax	133,359	867,537

II. Business Activity

a. Present

Despite the continued challenging economic climate in US, we almost maintained our revenue compared to last financial year. The achievement was driven by our customer focused strategic approach & differentiated offerings in our Practice Engagement areas. We strengthened and expanded our global relationship with Caterpillar with increased participation in their NPI/CPI and Manufacturing Engineering initiatives, and, together with Axis IT&T, have continued to hold our position as their largest Global Engineering Services Supplier. We enhanced our services portfolio by involving in several programs from concept to finish.

b. Future Challenges & Opportunities

While the growth of our Customer's market continues to be sluggish, with unfavorably low demands in the areas like mining, construction and cautious capital & discretionary spend, resulting in surplus inventory. However, we are seeing signs of recovery in several pockets of our interest in Europe, China, we will continue to build on our effective growth strategy with our existing customers while pursuing new ones. We would be intensifying our efforts to align and engage closely with all our clients to consolidate our footprint within their ecosystem across product groups,

strategic programs and locations. For new business pursuit & acquisition, we are confident that our investments towards domain and market engagement programs in Heavy Engineering would bear results in the coming quarters. In summary, we are poised for increased growth during 2013-14.

III. Directors

The Directors of the company currently are as follows:

- | | |
|----------------------|--|
| 1. S. Ravi Narayanan | Director , Chairman & CEO |
| 2. Rohit Chand | Director |
| 3. Suvra Basu | Director |
| 4. Kirit Manek | Director |
| 5. Murali Krishna | Director, President, Secretary & Treasurer |

Mr. Suvra Basu resigned from the position of President, Secretary & Treasurer w.e.f 1st April 2013 and Mr. Murali Krishna was appointed as the Director & President, Secretary & Treasurer w.e.f. 1st April 2013.

IV. Officers

- | | |
|----------------------|--|
| 1. S. Ravi Narayanan | Director , Chairman & CEO |
| 2. Murali Krishna | Director, President, Secretary & Treasurer |

V. Subsidiary & Joint Ventures

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



S. Ravi Narayanan

Director
Date: 29.05.2013

Financial Statements and Auditors' Report

AXIS Inc.

31 March 2013

"WINGS", First Floor
16/1, Cambridge Road
Ulsoor, Bengaluru 560008
India

T +91 80 4243 0700
F +91 80 4126 1228
E BENGALURU@in.gt.com

Independent Auditors' Report

To the Board of Directors of Axis Inc.

Report on the Financial Statements

1. We have audited the accompanying financial statements of Axis Inc., ("the Company"), which comprise the Balance Sheet as at 31 March 2013, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

2. Management is responsible for the preparation of these financial statements, that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards issued by the Institute of Chartered Accountants of India. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

3. Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.
4. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.
5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.



Chartered Accountants

Offices in Bengaluru, Chandigarh, Chennai, Gurgaon, Hyderabad, Mumbai, New Delhi and Pune

Walker, Chandiook & Co

Opinion

6. In our opinion and to the best of our information and according to the explanations given to us, the financial statements give a true and fair view in conformity with the accounting principles generally accepted in India:
- i) in the case of the Balance Sheet, of the state of affairs of the Company as at 31 March 2013;
 - ii) in the case of the Statement of Profit and Loss, of the profit for the year ended on that date; and
 - iii) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Walker, Chandiook & Co

For Walker, Chandiook & Co

Chartered Accountants

Firm Registration No.: 001076N

Aashesh Arjun Singh

per Aashesh Arjun Singh

Partner

Membership No.: 210122



New Delhi

30 May 2013

Balance Sheet

	NOTE	As at 31 March 2013 USD	As at 31 March 2012 USD
EQUITY AND LIABILITIES			
SHAREHOLDERS' FUNDS			
Share capital	2	2,247,227	2,247,227
Reserves and surplus	3	1,069,123	935,764
		<u>3,316,350</u>	<u>3,182,991</u>
NON CURRENT LIABILITIES			
Deferred tax liabilities, net	4	40,752	-
CURRENT LIABILITIES			
Short-term borrowings	5	1,853,247	2,226,078
Trade payables	6	404,007	1,646,304
Other current liabilities	7	297,110	480,149
		<u>2,554,364</u>	<u>4,352,531</u>
TOTAL		<u><u>5,911,466</u></u>	<u><u>7,535,522</u></u>
ASSETS			
NON-CURRENT ASSETS			
Fixed assets			
Tangible assets	8	156,527	121,308
Intangible assets	9	55,103	3,125
Non-current investment	10	1,149,031	1,149,031
Long-term loans and advances	13	498,099	90,725
		<u>1,858,760</u>	<u>1,364,189</u>
CURRENT ASSETS			
Trade receivables	11	3,260,546	4,932,179
Cash and cash equivalents	12	13,099	421
Short-term loans and advances	13	258,318	145,994
Other current assets	14	520,743	1,092,739
		<u>4,052,706</u>	<u>6,171,333</u>
TOTAL		<u><u>5,911,466</u></u>	<u><u>7,535,522</u></u>

Notes 1 to 23 form an integral part of these financial statements.

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

Walker Chandiook
For Walker, Chandiook & Co
Chartered Accountants



Aasheesh Arjun Singh
per Aasheesh Arjun Singh
Partner

For and on behalf of the Board of Directors

S. Ravinarayanan
S. Ravinarayanan
Director

Kirit Manek
Kirit Manek
Director

New Delhi
30 May 2013

Bengaluru
29 May 2013

Bengaluru
29 May 2013

Statement of Profit and Loss

	NOTE	Year ended 31 March 2013 USD	Year ended 31 March 2012 USD
INCOME			
Revenue from operations		23,129,123	24,034,383
Other income	15	1,847	-
TOTAL		23,130,970	24,034,383
EXPENSES			
Employee benefits expense	16	16,528,506	15,702,413
Other expenses	17	1,997,592	2,347,680
Sub-contracting charges		4,258,221	4,494,902
TOTAL		22,784,319	22,544,995
EARNINGS BEFORE INTEREST, TAX, DEPRECIATION AND AMORTISATION (EBITDA)		346,651	1,489,388
Depreciation and amortisation expense	18	90,907	55,342
Finance costs	19	62,422	48,102
PROFIT BEFORE TAX		193,322	1,385,944
Tax expense			
- Current tax		19,211	518,407
- Deferred tax		40,752	
PROFIT FOR THE YEAR		133,359	867,537
Earnings per equity share:	20		
Basic and diluted		6.76	43.98

Notes 1 to 23 form an integral part of these financial statements.

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

Walker, Chandio & Co
For Walker, Chandio & Co
Chartered Accountants



per Aasheesh Arjun Singh
Partner

New Delhi
30 May 2013

For and on behalf of the Board of Directors

S. Ravinarayanan
Director

Bengaluru
29 May 2013

Kirit Manek
Director

Bengaluru
29 May 2013

Cash Flow Statement

	Year ended 31 March 2013 USD	Year ended 31 March 2012 USD
Cash flows from operating activities		
Profit before taxation	193,322	1,385,944
Adjustment for :		
Depreciation and amortisation expense	90,907	55,342
Interest expense	62,422	48,102
Interest income	(1,847)	-
Operating profit before working capital changes	344,804	1,489,388
(Increase) / Decrease in trade receivables	1,671,633	(1,791,916)
(Increase) in loans and advances	(112,324)	(137,327)
Decrease in other current assets	572,782	123,252
Decrease in trade payables	(1,246,014)	(1,320,818)
Increase / (Decrease) in other current liabilities	(78,673)	23,213
Cash generated from / (used in) operations	1,152,208	(1,614,208)
Taxes paid	(354,521)	(518,407)
Net cash generated from/ (used in) operating activities	797,687	(2,132,615)
Cash flows from investing activities		
Purchase of fixed assets	(178,104)	(105,762)
Loans given to related parties	(300,000)	-
Loans repaid by related parties	123,571	-
Interest received	1,061	-
Net cash used in investing activities	(353,472)	(105,762)
Cash flows from financing activities		
Proceeds / (repayments) from / of borrowings (net)	(372,831)	1,939,078
Interest paid	(58,706)	(48,102)
Net cash from / (used in) financing activities	(431,537)	1,890,976
Net increase / (decrease) in cash and cash equivalents	12,678	(347,401)
Cash and cash equivalents at beginning of the year	421	347,822
Cash and cash equivalents at the end of the year	13,099	421

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

Walker, Chandio & Co

For Walker, Chandio & Co
Chartered Accountants



per *Aashesh Arjun Singh*
Partner

For and on behalf of the Board of Directors

S. Ravinarayanan
S. Ravinarayanan
Director

Kirit Manek
Kirit Manek
Director

New Delhi
30 May 2013

Bengaluru
29 May 2013

Bengaluru
29 May 2013

Notes to the financial statements for the year ended 31 March 2013

1 SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of preparation of financial statements

The financial statements have been prepared and presented under the historical cost convention on the accrual basis of accounting in accordance with the Generally Accepted Accounting Principles in India ('Indian GAAP') and comply with the mandatory Accounting Standards ('AS') and other pronouncements as issued by the Institute of Chartered Accountants of India ('ICAI'). The accounting policies applied by the Company are consistent with those used in the previous year unless otherwise stated.

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

(b) Use of estimates

The preparation of financial statements is in conformity with generally accepted accounting principles, which requires the management of the Company to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of liabilities at the date of the financial statements and the results of operations during the reporting periods. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from those estimates. Significant estimates used by management in the preparation of these financial statements include the estimates of the economic useful lives of the fixed assets, provisions for doubtful debts and employee benefits. Any revision to accounting estimates are recognised prospectively.

(c) Revenue recognition

The Company derives its revenues primarily from engineering design services. Service income comprises of income from time-and-material and fixed-price contracts. Revenue from time-and-material contracts is recognised in accordance with the terms of the contracts with clients. Revenue from fixed-price contracts is recognised using the percentage of completion method, calculated as the proportion of the efforts incurred up to the reporting date to the estimated total efforts. Provisions for estimated losses on incomplete contracts are recorded in the period in which such losses become probable based on the current contract estimates.

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

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

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

(d) Fixed assets and depreciation/amortisation

i) Tangible

Fixed assets are carried at the cost less accumulated depreciation and impairment losses. The cost of fixed assets comprises of its purchase price and other costs attributable to bringing such assets to its working condition for its intended use. Advances paid towards the acquisition of fixed assets outstanding at each Balance Sheet date are disclosed as other non-current assets and the cost of fixed assets not ready for their intended use before such date are disclosed as capital work-in-progress.

Expenditure on account of modification / alteration in fixed assets, which increases the future benefit from the existing asset beyond its previous assessed standard of performance, is capitalised.

ii) Intangible

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

iii) Depreciation and amortisation

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

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

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



Notes to the financial statements for the year ended 31 March 2013 (Cont'd)

1 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(e) Impairment of assets

The Company assesses at each Balance Sheet date whether there is any indication that an asset may be impaired. If any such indication exists, the Company estimates the recoverable amount of the asset. If such recoverable amount of the asset or the recoverable amount of the cash generating unit to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognised in the Statement of Profit and Loss. If at the Balance Sheet date there is an indication that if a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount subject to a maximum of depreciated historical cost.

(f) Investments

Investments that are readily realisable and intended to be held for not more than one year are classified as current investments. All other investments are classified as long-term investments. Current investments are carried at lower of cost and fair value determined on an individual investment basis. Long-term investments are carried at cost. However, provision for diminution in value is made to recognise a decline other than temporary in the value of the long-term investments.

(g) Borrowing costs

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

(h) Foreign currency transactions

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

Monetary items outstanding at the Balance Sheet date and denominated in foreign currencies are recorded at the exchange rate prevailing at the end of the year. Differences arising there from are recognised in the Statement of Profit and Loss.

Non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction; and non-monetary items which are carried at fair value or other similar valuation denominated in a foreign currency are reported using the exchange rates that existed when the values were determined.

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

(i) Employee benefits

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

Social security

The Company contributes to social security charges for its employees. The plans are defined contribution plan and contributions paid or payable is recognised as an expense in these periods in which the employee renders services.

(j) Provisions and contingent liabilities

The Company creates a provision when there is a present obligation as a result of a past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of the obligation. A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may but probably will not require an outflow of resources. Disclosure is also made in respect of a present obligation that probably requires an outflow of resources, where it is not possible to make a reliable estimate of the related outflow. Where there is a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.



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Notes to the financial statements for the year ended 31 March 2013 (Cont'd)

1 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(k) Income taxes

Current tax

Provision is made for income tax under the tax payable method, based on the liability computed, after taking credit for allowances and exemptions. Net operating losses carryover in accordance with the tax laws which gives rise to future economic benefits in the form of adjustments of future income tax liability, is considered as an asset if there is convincing evidence that the Company will pay normal tax. Accordingly, it is recognised as an asset in the Balance Sheet when it is probable that the future economic benefit associated with it will flow to the Company and the asset can be measured reliably. Tax expenses comprise both current and deferred taxes.

Deferred tax

Deferred tax charge or credit reflects the tax effect of timing differences between accounting income and taxable income for the period. The deferred tax charge or credit and the corresponding deferred tax liabilities or assets are recognised using the tax rates that have been enacted or substantively enacted by the Balance Sheet date. Deferred tax assets are recognised only to the extent there is reasonable certainty that the assets can be realised in future; however, where there is unabsorbed depreciation or carried forward loss under taxation laws, deferred tax assets are recognised only if there is a virtual certainty of realisation of such assets. Deferred tax assets are reviewed at each Balance Sheet date and written down or written-up to reflect the amount that is reasonably/ virtually certain (as the case may be) to be realised.

Unrecognised deferred tax assets of earlier years are re-assessed and recognised to the extent that it has become reasonably certain that future taxable income will be available against which such deferred tax assets can be realised.

(l) Leases

Operating leases

Leases, where the lessor effectively retains substantially all the risks and benefits of ownership of the leased item, are classified as operating leases. Operating lease payments are recognized as an expense in the Statement of Profit and Loss on a straight-line basis over the lease term.

Finance leases

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

(m) Earnings /(Loss) Per Share

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders (after deducting preference dividends and attributable taxes) by the weighted average number of equity shares outstanding during the period. Partly paid equity shares are treated as a fraction of an equity share to the extent that they are entitled to participate in dividends relative to a fully paid equity share during the reporting period. The weighted average number of equity shares outstanding during the period is adjusted for events such as bonus issue, bonus element in a rights issue, share split, and reverse share split (consolidation of shares).

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

n) Segment reporting

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

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



A handwritten signature in black ink, consisting of a stylized 'J' or 'G' shape with a long horizontal stroke extending to the right.

Notes to the financial statements for the year ended 31 March 2013 (Cont'd)

2 SHARE CAPITAL	As at 31 March 2013		As at 31 March 2012	
	Number	USD	Number	USD
Authorised				
Equity shares with no par value fully paid up	19,725	2,247,227	19,725	2,247,227
	<u>19,725</u>	<u>2,247,227</u>	<u>19,725</u>	<u>2,247,227</u>
Issued share capital				
Equity shares with no par value fully paid up	19,725	2,247,227	19,725	2,247,227
	<u>19,725</u>	<u>2,247,227</u>	<u>19,725</u>	<u>2,247,227</u>
Subscribed and paid up				
Equity shares with no par value fully paid up	19,725	2,247,227	19,725	2,247,227
	<u>19,725</u>	<u>2,247,227</u>	<u>19,725</u>	<u>2,247,227</u>

a. Reconciliation of the equity share capital

Balance at the beginning of the year	19,725	2,247,227	19,725	2,247,227
Add : Issued during the year	-	-	-	-
Balance at the end of the year	<u>19,725</u>	<u>2,247,227</u>	<u>19,725</u>	<u>2,247,227</u>

b. Terms and rights attached to equity shares

The Company has only one class of equity shares having a no par value. Each share is entitled to one vote per share. The Company declares and pays dividends in US Dollars. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting. In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

c. Shares held by holding company

	As at 31 March 2013		As at 31 March 2012	
	Number	USD	Number	USD
Axis-IT&T Limited	19,725	2,247,227	19,725	2,247,227

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

Axis-IT&T Limited	19,725	2,247,227	19,725	2,247,227
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3 RESERVES AND SURPLUS

Surplus in the Statement of Profit and Loss

	As at 31 March 2013	As at 31 March 2012
	USD	USD
Balance at the beginning of the year	935,764	68,227
Add : Net profit for the year	133,359	867,537
Balance at the end of the year	<u>1,069,123</u>	<u>935,764</u>

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Notes to the financial statements for the year ended 31 March 2013 (Cont'd)

	As at 31 March 2013 USD	As at 31 March 2012 USD
4 DEFERRED TAXES		
Deferred tax assets		
Net operating losses	27,484	-
Total	<u>27,484</u>	<u>-</u>
Deferred tax liabilities		
Timing difference on depreciation and amortisation	68,236	-
Total	<u>68,236</u>	<u>-</u>
Deferred tax liability, net	<u>40,752</u>	<u>-</u>

Note :

Considering the existence of firm sales orders available from the customers, sufficient taxable income will be available in future against which such deferred tax assets will be fully realised. Deferred tax assets has been recognised on net operating losses which are available for carry forward as per local laws .

5 SHORT-TERM BORROWINGS

(Secured)

Line of credit from banks	1,853,247	2,226,078
	<u>1,853,247</u>	<u>2,226,078</u>

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

6 TRADE PAYABLES

Trade payables	404,007	1,646,304
	<u>404,007</u>	<u>1,646,304</u>

7 OTHER CURRENT LIABILITIES

Duties and taxes payable	32,250	138,742
Dues to employees	228,966	317,389
Accrued expenses	35,894	22,798
Others	-	1,220
	<u>297,110</u>	<u>480,149</u>



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Notes to the financial statements for the year ended 31 March 2013 (Cont'd)

(Amount in USD)

8 TANGIBLE ASSETS

	Computers	Furniture and fixtures	Office equipments	Leasehold improvements	Total
Gross block					
Balance as at 1 April 2011	89,913	8,947	534,827	8,634	642,321
Additions	79,919	9,271	2,522	14,050	105,762
Balance as at 31 March 2012	169,832	18,218	537,349	22,684	748,083
Additions	79,644	27,535	-	-	107,179
Balance as at 31 March 2013	249,476	45,753	537,349	22,684	855,262
Accumulated depreciation					
Balance as at 1 April 2011	42,564	2,009	528,077	6,283	578,933
Charge for the year	30,673	1,710	3,210	12,249	47,842
Balance as at 31 March 2012	73,237	3,719	531,287	18,532	626,775
Charge for the year	59,135	6,170	2,503	4,152	71,960
Balance as at 31 March 2013	132,372	9,889	533,790	22,684	698,735
Net Block					
Balance as at 31 March 2012	96,595	14,499	6,062	4,152	121,308
Balance as at 31 March 2013	117,104	35,864	3,559	-	156,527

9 INTANGIBLE ASSETS

	Softwares	Total
Gross block		
Balance as at 1 April 2011	490,774	490,774
Additions	-	-
Balance as at 31 March 2012	490,774	490,774
Additions	70,925	70,925
Balance as at 31 March 2013	561,699	561,699
Accumulated amortisation		
Balance as at 1 April 2011	480,149	480,149
Charge for the year	7,500	7,500
Balance as at 31 March 2012	487,649	487,649
Charge for the year	18,947	18,947
Balance as at 31 March 2013	506,596	506,596
Net Block		
Balance as at 31 March 2012	3,125	3,125
Balance as at 31 March 2013	55,103	55,103



Notes to the financial statements for the year ended 31 March 2013 (Cont'd)

	As at 31 March 2013 USD		As at 31 March 2012 USD	
10 NON CURRENT INVESTMENT (Unquoted, valued at cost unless stated otherwise)				
Investments in equity instruments				
Trade				
In subsidiary - Axis EU Limited	1,149,031		1,149,031	
575,476 (31 March 2012 - 575,476) equity shares of GBP 1 each.	<u>1,149,031</u>		<u>1,149,031</u>	
11 TRADE RECEIVABLES (Unsecured, considered good)				
Outstanding for a period exceeding six months from the date they are due for payment	-		-	
Other receivables	3,260,546		4,932,179	
	<u>3,260,546</u>		<u>4,932,179</u>	
12 CASH AND CASH EQUIVALENTS				
Balances with bank in current account	13,078		400	
Cash on hand	21		21	
	<u>13,099</u>		<u>421</u>	
13 LOANS AND ADVANCES (Unsecured, considered good)				
	As at 31 March 2013		As at 31 March 2012	
	Long-term	Short-term	Long-term	Short-term
Security deposits	-	330	-	205
	<u>-</u>	<u>330</u>	<u>-</u>	<u>205</u>
Loans and advances to related parties				
Loan to related party	267,155	-	90,725	-
	<u>267,155</u>	<u>-</u>	<u>90,725</u>	<u>-</u>
Other loans and advances				
Advance taxes	230,944	-	-	-
Prepaid expenses	-	224,254	-	128,680
Recoverable from customer	-	33,734	-	17,109
	<u>230,944</u>	<u>257,988</u>	<u>-</u>	<u>145,789</u>
	<u>498,099</u>	<u>258,318</u>	<u>90,725</u>	<u>145,994</u>
14 OTHER CURRENT ASSETS				
Unbilled revenue			519,957	1,092,739
Interest accrued but not due			786	-
			<u>520,743</u>	<u>1,092,739</u>



Notes to the financial statements for the year ended 31 March 2013 (Cont'd)

	Year ended 31 March 2013 USD	Year ended 31 March 2012 USD
15 OTHER INCOME		
Interest income	1,847	-
	<u>1,847</u>	<u>-</u>
16 EMPLOYEE BENEFITS EXPENSE		
Salaries, wages and bonus	15,482,765	14,658,832
Contribution to social security	990,253	999,694
Staff welfare	55,488	43,887
	<u>16,528,506</u>	<u>15,702,413</u>
17 OTHER EXPENSES		
Equipment hire charges	455,645	437,679
Legal and professional charges	352,466	426,081
Travelling and conveyance	270,217	452,359
Management fees	233,562	362,118
Rent	218,014	177,332
Recruitment and training expenses	106,789	98,858
Insurance expenses	191,589	56,795
Communication expenses	66,531	58,252
Repairs and maintenance (buildings)	34,047	40,712
Advertising expenses	25,957	181,400
Electricity charges	19,381	15,708
Rates and taxes	2,010	14,752
Miscellaneous expenses	21,384	25,634
	<u>1,997,592</u>	<u>2,347,680</u>
18 DEPRECIATION AND AMORTISATION EXPENSE		
Depreciation of tangible assets (Also, refer note 8)	71,960	47,842
Amortisation of intangible assets (Also, refer note 9)	18,947	7,500
	<u>90,907</u>	<u>55,342</u>
19 FINANCE COSTS		
Interest on loans from bank	52,656	27,074
Processing fee and other bank charges	9,766	21,028
	<u>62,422</u>	<u>48,102</u>
20 EARNINGS PER SHARE (EPS)		
a) Profit after tax attributable to equity shares (in USD)	133,359	867,537
b) Weighted average number of shares outstanding	19,725	19,725
c) Basic and diluted earning per share (in USD)	6.76	43.98



Notes to the financial statements for the year ended 31 March 2013 (Cont'd)

21 RELATED PARTY DISCLOSURES

i. Parties where control exists :

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

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

Fellow subsidiaries	Cades Digitech Private Limited Cades Technology Canada Inc.
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iii. Key Management Personnel ('KMP'):

Name of KMP	Nature of relationship
Mr. S Ravinarayanan	Director

iv. Transactions with related parties

(Amount in USD)

	Nature of Transaction	Holding company / Intermediate holding company		Subsidiary/ fellow subsidiary		Total	
		31 March 2013	31 March 2012	31 March 2013	31 March 2012	31 March 2013	31 March 2012
a)	<i>Advances given</i>						
	Axis EU Limited	-	-	200,000	90,725	200,000	90,725
	Cades Technology Canada Inc	-	-	100,000	-	100,000	-
b)	<i>Advances recovered</i>						
	Axis EU Limited	-	-	23,571	24,900	23,571	24,900
	Cades Technology Canada Inc	-	-	100,000	-	100,000	-
c)	<i>Travel expenses</i>						
	Axis-IT&T Limited	34,173	87,281	-	-	34,173	87,281
	Axis EU Limited	-	-	-	25,147	-	25,147
	Cades Digitech Private Limited	-	-	-	75,521	-	75,521
d)	<i>Consultancy charges</i>						
	Axis-IT&T Limited	-	139,380	-	-	-	139,380
e)	<i>Sub-contracting charges</i>						
	Axis-IT&T Limited	4,258,221	4,494,902	-	-	4,258,221	4,494,902
f)	<i>Management fees</i>						
	Axis Aerospace & Technologies Limited	233,562	362,118	-	-	233,562	362,118
g)	<i>Interest Income</i>						
	Axis EU Limited	-	-	786	-	786	-
	Cades Technology Canada Inc	-	-	1,061	-	1,061	-



Notes to the financial statements for the year ended 31 March 2013 (Cont'd)

21 RELATED PARTY DISCLOSURES (CONT'D)

iv. Balances as at the year end

(Amount in USD)

Nature of Transaction	Holding Company / Intermediate Holding Company		Subsidiary/ Fellow subsidiary		Total	
	31 March 2013	31 March 2012	31 March 2013	31 March 2012	31 March 2013	31 March 2012
a) <i>Other current liabilities</i>						
Axis-IT&T Limited	34,173	87,281	-	-	34,173	87,281
Axis EU Limited	-	-	-	25,147	-	25,147
Cades Digitech Private Limited	-	-	-	75,521	-	75,521
Axis Aerospace & Technologies Limited	-	35,982	-	-	-	35,982
b) <i>Trade payables</i>						
Axis-IT&T Limited	243,652	978,534	-	-	243,652	978,534
b) <i>Other current assets</i>						
<i>Advance given</i>						
Axis EU Limited	-	-	267,155	90,725	267,155	90,725
Interest receivable						
Axis EU Limited	-	-	786	-	786	-

22 SEGMENT REPORTING

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

23 PREVIOUS YEAR FIGURES

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

Walker, Chandio & Co

For Walker, Chandio & Co
Chartered Accountants

per Aasheesh Arjun Singh
Partner

New Delhi
30 May 2013



For and on behalf of the Board of Directors

S. Ravinarayanan
Director

Bengaluru
29 May 2013

Kirit Manek
Director

Bengaluru
29 May 2013