

Director's Report

To The Members

AXISCADES Technology Canada Inc.
(formerly Cades Technology Canada Inc.)

Your Directors are pleased to present their report on the business operation of the company for the period from 01st April 2015 to 31st March 2016 and subsequent events to date. While audit is not mandated in Canada for small enterprises, however **AXISCADES Technology Canada Inc.** has got its accounts audited by GD & Associates, Chartered Accountants, Bengaluru, India, for the purpose of publishing the Audited accounts of its parent company AXISCADES Engineering Technologies Limited (formerly Axis-IT&T Limited) in accordance with the statutory requirements in India.

I. Financial Results for 1st April, 2015 to 31st March, 2016 are attached to this report.

II. Business Activity

The Company is engaged in rendering engineering design service for the aerospace sector in Canada and has started operations in December 2010 and has shown considerable progress during the period. During the year, it has managed to obtain a better mix of revenue in favour of Offshoring resulting in further consolidation of its presence with its customers.

III. CHANGE OF NAME OF COMPANY

During the year the Company got its name changed to AXISCADES Technology Canada Inc. which is effective from August 11, 2015.



Sreedhar Rao Ellentala
Director

Date: May 27, 2016

Place: Bengaluru



INDEPENDENT AUDITOR'S REPORT

Report on the Financial Statements

We have examined the attached Balance Sheet of M/s. **AXISCADES TECHNOLOGY CANADA INC** as at **March 31, 2016** and the Profit and Loss Account and Cash flow statement for the year ended on **March 31, 2016**. These financial statements are the responsibility of the company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes the maintenance of adequate accounting records in accordance with the provision of the Act for safeguarding of the assets of the Company and for preventing and detecting the frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of internal financial control, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder. We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give true and fair view 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 Company's Directors, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements, give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March 2016 the statement of profit and loss and in cash flows for the year ended on that date

Report on other legal and regulatory requirements

1. As required by the Companies (Auditors Report) Order, 2015 ("the Order") issued by requirements of the Companies (Auditors Report) order ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, are not applicable.
2. As required by section 143(3) of the Act, we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b) In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books
 - c) The Balance Sheet and the Statement of Profit and Loss dealt with by this Report are in agreement with the books of account.





- d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- e) On the basis of written representations received from the directors as on 31 March, 2016, taken on record by the Board of Directors, none of the directors is disqualified as on 31 March, 2016, from being appointed as a director in terms of Section 164(2) of the Act.
- f) With respect to the other matters included in the Auditor's Report and to our best of our information and according to the explanations given to us:
- The Company does not have any pending litigations which would impact its financial position
 - The Company did not have any long-term contracts including derivatives contracts for which there were any material foreseeable losses
 - There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company



Place: Bangalore
Date: May 27, 2016

For G D & ASSOCIATES
Chartered Accountants
Firm Registration No – 011187S

DINESHA M S
Partner.
Membership No.215946

Balance Sheet

	NOTE	As at 31 March 2016 CAD \$	As at 31 March 2015 CAD \$
EQUITY AND LIABILITIES			
SHAREHOLDERS' FUNDS			
Share capital	2	100	100
Reserves and surplus	3	2,747,851	1,868,278
		<u>2,747,951</u>	<u>1,868,378</u>
CURRENT LIABILITIES			
Long-term borrowings		-	-
Long-term provisions		-	-
		<u>-</u>	<u>-</u>
CURRENT LIABILITIES			
Short-term borrowings		-	-
Trade payables	5	924,705	773,495
Other current liabilities	6	352,491	516,278
Short-term provisions	4	110,422	192,906
		<u>1,387,618</u>	<u>1,482,679</u>
TOTAL		<u><u>4,135,569</u></u>	<u><u>3,351,057</u></u>
ASSETS			
NON-CURRENT ASSETS			
Fixed assets			
Tangible assets		-	-
Intangible assets		-	-
Non-current investments		-	-
Long-term loans and advances	9	749	48,192
		<u>749</u>	<u>48,192</u>
CURRENT ASSETS			
Trade receivables	7	580,381	829,469
Cash and bank balances	8	2,980,033	1,705,025
Short-term loans and advances	9	5,499	1,809
Other current assets	10	568,907	766,562
		<u>4,134,820</u>	<u>3,302,865</u>
TOTAL		<u><u>4,135,569</u></u>	<u><u>3,351,057</u></u>

Notes 1 to 17 form an integral part of these financial statements.

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

As per our report of even date
for G D & ASSOCIATES
Chartered Accountants



DINESHA M S
Partner
Membership No - 215946
Bengaluru
27-May-16



For and on behalf of the Board of Directors

Sreedhar Rao Ellantala
Director

Bengaluru
27-May-16

S. Valmeekanathan
Director

Bengaluru
27-May-16

Statement of Profit and Loss Account

	NOTE	Year Ended 31 March 2016 CAD \$	Year Ended 31 March 2015 CAD \$
INCOME			
Revenue from operations	11	7,285,207	6,379,248
Other income	12	46,391	170,357
TOTAL		7,331,598	6,549,605
EXPENSES			
Employee benefit expenses	13	2,189,422	2,051,811
Direct project expenses	14	3,311,349	2,680,006
Other expenses	14	587,307	295,546
TOTAL		6,088,078	5,027,363
EARNINGS BEFORE INTEREST, TAX, DEPRECIATION AND AMORTISATION (EBITDA)		1,243,520	1,522,242
Depreciation and amortisation expense	15	-	-
Finance costs	14	-	-
PROFIT BEFORE TAX		1,243,520	1,522,242
Tax expense			
Current tax		348,800	418,053
Prior Year Tax		15,147	-
PROFIT FOR THE YEAR		879,573	1,104,189
Earnings per equity share:			
Face value of CAD \$ 1 each)	15	8,795.73	11,041.89
Basic & diluted (in CAD \$)			

Notes 1 to 17 form an integral part of these financial statements.

This is the statement of profit and loss referred to in our report of even date.


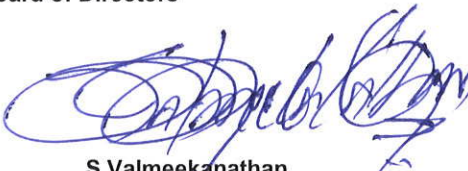
As per our report of even date
for G D & ASSOCIATES
Chartered Accountants



DINESHA M S
Partner
Membership No - 215946
Bengaluru
27-May-16



For and on behalf of the Board of Directors

Sreedhar Rao Ellantala
Director

S. Valmeekanathan
Director

Bengaluru
27-May-16

Bengaluru
27-May-16

Cash Flow Statement

	Year Ended 31 March 2016 CAD	Year Ended 31 March 2015 CAD
Cash flows from operating activities		
Profit/ (Loss) before taxation	1,243,520	1,522,242
Adjustment for :		
Operating profit before working capital changes	<u>1,243,520</u>	<u>1,522,242</u>
Decrease in trade receivables	249,088	930,918
Decrease/ (Increase) in loans and advances	(3,690)	(208,456)
Decrease in other current assets	197,655	(673,063)
Increase/ (Decrease) in trade payables	151,210	(81,429)
Increase/ (Decrease) in provisions	(82,484)	
Increase/ (Decrease) in other current liabilities	<u>(163,787)</u>	<u>161,342</u>
Cash generated from operations	<u>1,591,512</u>	<u>1,651,554</u>
Refund received/ (tax paid)	(363,947)	-
Decrease/(increase) in loans and advances	<u>47,443</u>	<u>-</u>
Net cash generated from operating activities	<u>1,275,008</u>	<u>1,651,554</u>
Cash flows from investing activities	-	-
Net cash used in investing activities	<u>-</u>	<u>-</u>
Cash flows from financing activities	-	-
Net cash used in financing activities	<u>-</u>	<u>-</u>
Net (decrease)/ Increase in cash and cash equivalents	1,275,008	1,651,554
Cash and cash equivalents at beginning of the year	1,705,025	53,471
Cash and cash equivalents at the end of the year	<u>2,980,033</u>	<u>1,705,025</u>

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

As per our report of even date
for G D & ASSOCIATES
Chartered Accountants



DINESHA M S
Partner
Membership No - 215946
Bengaluru
27-May-16



For and on behalf of the Board of Directors



Sreedhar Rao Ellantala
Director

S. Valmeekanathan
Director

Bengaluru
27-May-16

Bengaluru
27-May-16

Notes to the financial statements for the year ended 31 March 2016 (Contd)

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.

Pursuant to the scheme of arrangement between Cades Digitech Private Limited (Erstwhile Holding Company), Axis-IT&T Limited (Axis) and its shareholders, and on receipt of approval from Hon'ble High Courts filed with Registrar of Companies on 24 March 2014, Cades has been merged into Axis. Due to this merger, the Company has now become a subsidiary of Axis. Name of Axis IT&T has been approved to be changed to AXISCADES Engineering Technology Limited w.e.f. 1st Aug 2014.

(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 contingent 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 bad and doubtful trade receivables, employee benefits, estimation of revenue and project completion. 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 revenues' represent revenues recognised on services rendered as per contractual terms, for which amounts are to be billed in subsequent periods. The related billings are expected to be performed as per milestones provided in the contracts.

'Unearned revenues' included in other liabilities represent billings in excess of revenues recognised. Advances received for services are reported as liabilities until all conditions for revenue recognition are met.

'Interest income' is recognised on a time proportion basis taking into account the amount outstanding and the applicable interest rate. Interest income is included under the head "other income" in the Statement of profit and loss.

(d) Fixed assets and depreciation/amortisation

Fixed assets are carried at the cost less accumulated depreciation/amortisation 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.

Depreciation is provided under the straight-line method based on the estimated useful life of the assets. Depreciation is calculated on a pro-rata basis from the date of installation till the date the assets are sold or disposed.

Management's estimate of the useful lives for the various categories of fixed assets is as follows:

Asset category	Depreciation Rate
Computers	33.33%
Furniture and fixtures	14.29%
Office equipment's	14.29%
Leasehold improvements	period of lease
Software	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 CAD \$ 100 are fully depreciated in the year of purchase.

Leasehold improvements have been depreciated over lease period including renewable period and subject to maximum useful economic life of 7 years.



Notes to the financial statements for the year ended 31 March 2016 (Contd)

(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) Finance costs

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

(g) 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.

(h) Foreign currency transactions

Initial recognition

Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

Conversion

Monetary assets and liabilities related to foreign currency transactions remaining unsettled at the end of the year are translated at year-end rates. The difference in translation of monetary assets and liabilities and realised gains and losses on foreign exchange transactions are recognised in the Statement of profit and loss.

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.

Foreign currency transactions entered into by branches, which are integral foreign operations are accounted in the same manner as foreign currency transactions described above. Branch monetary assets and liabilities are restated at the year end rates.

(i) Employee benefits

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

Social security charges

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.



Notes to financial statements for the year ended 31 March 2016 (Cont'd)

(j) 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. Minimum Alternative Tax ("MAT") paid 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.

(k) 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. Where there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

(l) 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.

(m) Earnings 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.



AXISCADES Technology Canada Inc.

Notes to the financial statements for the year ended 31 March 2016 (contd.)

	As at 31 March 2016		As at 31 March 2015	
	Number	CAD \$	Number	CAD \$
2 SHARE CAPITAL				
Authorised				
100 Class A shares of Canada\$ 1 per share	100	100	100	100
	<u>100</u>	<u>100</u>	<u>100</u>	<u>100</u>
Issued, subscribed and paid up				
100 Class A shares of Canada\$ 1 per share	100	100	100	100
	<u>100</u>	<u>100</u>	<u>100</u>	<u>100</u>

a. Reconciliation of the equity share capital

	As at 31 March 2016		As at 31 March 2015	
	Number	CAD \$	Number	CAD \$
Balance at the beginning of the year	100	100	100	100
Add : Issued during the year	-	-	-	-
Balance at the end of the year	<u>100</u>	<u>100</u>	<u>100</u>	<u>100</u>

b. Terms and rights attached to equity shares

The Company has only one class of equity shares having a par value of CAD\$ 1 per share. Each equity share is entitled to one vote per share.

The Company declares and pays dividends in CAD\$.

The dividend, if any, 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 shareholders 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 and intermediate holding companies

	As at 31 March 2016		As at 31 March 2015	
	Number	CAD \$	Number	CAD \$
Holding Company - AXISCADES Engineering Technology Limited (refer Note 1(a))	100	100	100	100
	<u>100</u>	<u>100</u>	<u>100</u>	<u>100</u>

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

	As at 31 March 2016		As at 31 March 2015	
	Number	CAD \$	Number	CAD \$
(i) AXISCADES Engineering Technology Limited	100	100	100	100
	<u>100</u>	<u>100</u>	<u>100</u>	<u>100</u>

3 RESERVES AND SURPLUS

Surplus in the statement of profit and loss

	As at 31 March 2016 CAD \$	As at 31 March 2015 CAD \$
Balance at the beginning of the year	1,868,278	764,089
Add : Transferred from statement of profit and loss	879,573	1,104,189
Balance at the end of the year	<u>2,747,851</u>	<u>1,868,278</u>

4 PROVISIONS

Other provisions

	As at 31 March 2016		As at 31 March 2015	
	Long-term CAD \$	Short-term CAD \$	Long-term CAD \$	Short-term CAD \$
Foreign tax, net of advance tax	-	110,422	-	192,906
	<u>-</u>	<u>110,422</u>	<u>-</u>	<u>192,906</u>



AXISCADES Technology Canada Inc.

Notes to the financial statements for the year ended 31 March 2016 (contd.)

5 TRADE PAYABLES

	As at 31 March 2016 CAD \$	As at 31 March 2015 CAD \$
Dues to others	217,859	1,831
Dues to related parties	401,336	757,117
Accrued expenses	305,510	14,547
	<u>924,705</u>	<u>773,495</u>

6 OTHER CURRENT LIABILITIES

Duties and taxes payable	246,004	219,485
Dues to employees	106,487	82,992
Advances from customers	-	213,801
	<u>352,491</u>	<u>516,278</u>

7 TRADE RECEIVABLES

Considered good	<u>580,381</u>	<u>829,469</u>
	<u>580,381</u>	<u>829,469</u>

8 CASH AND BANK BALANCES

Balances with banks:		
- in current accounts	<u>2,980,033</u>	<u>1,705,025</u>
	<u>2,980,033</u>	<u>1,705,025</u>

9 LOANS AND ADVANCES

	As at 31 March 2016		As at 31 March 2015	
	Long term CAD \$	Short term CAD \$	Long term CAD \$	Short term CAD \$
Security deposit				
Unsecured, considered good	749	-	48,192	-
	<u>749</u>	<u>-</u>	<u>48,192</u>	<u>-</u>
Other loans and advances				
VAT input credit	-	-	-	1,105
Advances to employees	-	5,499	-	704
	<u>-</u>	<u>5,499</u>	<u>-</u>	<u>1,809</u>
	<u>749</u>	<u>5,499</u>	<u>48,192</u>	<u>1,809</u>

10 OTHER CURRENT ASSETS

	As at 31 March 2016 CAD \$	As at 31 March 2015 CAD \$
Unbilled revenue	568,907	766,562
	<u>568,907</u>	<u>766,562</u>



AXISCADES Technology Canada Inc.**Notes to the financial statements for the year ended 31 March 2016 (contd.)**

	Year Ended 31 March 2016 CAD \$	Year Ended 31 March 2015 CAD \$
11 REVENUE		
Revenue from operations		
Engineering Design Services		
Export	7,285,207	6,379,248
	<u>7,285,207</u>	<u>6,379,248</u>
12 OTHER INCOME		
Net gain on foreign currency transactions and translation	45,839	170,357
Miscellaneous income	552	-
	<u>46,391</u>	<u>170,357</u>
13 EMPLOYEE BENEFIT EXPENSES		
Salaries, wages and bonus	1,906,978	1,866,606
Overseas employee benefits	271,276	180,866
Staff welfare expenses	11,168	4,339
	<u>2,189,422</u>	<u>2,051,811</u>
14 OTHER EXPENSES		
Rent	2,393	2,429
Direct project expenses	3,311,349	2,680,006
Travelling and conveyance	97,296	177,514
Repairs and maintenance		
-Buildings	281	664
Rates and taxes	51,553	334
Communication expenses	2,519	2,794
Recruitment and training expenses	31,282	-
Legal and professional charges	132,822	109,034
Advertisement and marketing	266,037	482
Printing and stationery	506	542
Processing fee and other bank charges	2,426	1,753
Postage and courier charges	192	-
	<u>3,898,656</u>	<u>2,975,552</u>
15 EARNINGS PER SHARE (EPS)		
a) Profit after tax attributable to equity shares (in CAD \$)	879,573	1,104,189
b) Weighted average number of shares outstanding	100	100
c) Nominal value of shares (in CAD \$)	1	1
d) Basic and diluted earning per share (in CAD \$)	8,795.73	11,041.89



Notes to the financial statements for the year ended 31 March 2016 (Cont'd)

16 RELATED PARTY DISCLOSURES

i. Parties where control exists :

Nature of relationship

Holding company information

Name of party

The Company is a subsidiary of AXISCADES Engineering Technologies Limited (ACETL, formerly Axis-IT&T Limited). ACETL is a subsidiary of Jupiter Capital Private Limited ('JCPL'). Tayana Digital Private Limited (TDPL) ceased to be the intermediate holding company w.e.f. 09 July 2014 and in turn AXISCADES Aerospace Technologies Limited (ACAT) also ceased to be the intermediate holding company.

ii. Transactions with related parties:

(Amount in CAD \$)

Nature of transaction	Holding Company / Intermediate Holding Company		Total	
	31 March 2016	31 March 2015	31 March 2016	31 March 2015
A Direct project expenses				
1 AXISCADES Engineering Technologies Ltd	3,647,910	2,680,006	3,647,910	2,680,006
B Reimbursement of expenses				
1 AXISCADES Engineering Technologies Ltd	66,770	190,306	66,770	190,306
C Professional charges cross charged				
1 AXISCADES Engineering Technologies Ltd	113,195	87,692	113,195	87,692
2 Axis Inc.	21,235	-	21,235	-
D Expenses paid				
1 AXISCADES Engineering Technologies Ltd	191,856	260,288	191,856	260,288

iii. Balances as at the year end

(Amount in CAD \$)

Nature of Transaction	Holding Company / Intermediate Holding Company		Total	
	31 March 2016	31 March 2015	31 March 2016	31 March 2015
A Trade payable				
1 AXISCADES Engineering Technologies Ltd	635,159	632,060	635,159	632,060
B Expenses payable				
1 AXISCADES Engineering Technologies Ltd	113,195	125,107	113,195	125,107
2 Axis Inc.	21,235	-	21,235	-

17 PREVIOUS YEAR FIGURES

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

As per our report of even date
for G D & ASSOCIATES
Chartered Accountants

For and on behalf of the Board of Directors



DINESHA M S
Partner
Membership No - 215946
Bangalore
27-May-16




Sreedhar Rao Ellantala
Director

Bengaluru
27-May-16



S. Valmeekanathan
Director

Bengaluru
27-May-16

Balance Sheet

	As at 31 March 2016 CAD \$	As at 31 March 2015 CAD \$	As at 31 March 2016 INR	As at 31 March 2015 INR
Exchange Rate			51.09912	49.14066
EQUITY AND LIABILITIES				
SHAREHOLDERS' FUNDS				
Share capital	100	100	5,110	4,914
Reserves and surplus	2,747,851	1,868,278	140,412,768	91,808,414
	<u>2,747,951</u>	<u>1,868,378</u>	<u>140,417,878</u>	<u>91,813,328</u>
CURRENT LIABILITIES				
Long-term borrowings	-	-	-	-
Long-term provisions	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
CURRENT LIABILITIES				
Short-term borrowings	-	-	-	-
Trade payables	924,705	773,495	47,251,612	38,010,055
Other current liabilities	352,491	516,278	18,011,980	45,913,642
Short-term provisions	110,422	192,906	5,642,466	-
	<u>1,387,618</u>	<u>1,482,679</u>	<u>70,906,058</u>	<u>83,923,697</u>
TOTAL	<u>4,135,569</u>	<u>3,351,057</u>	<u>211,323,936</u>	<u>175,737,025</u>
ASSETS				
NON-CURRENT ASSETS				
Fixed assets				
Tangible assets	-	-	-	-
Intangible assets	-	-	-	-
Non-current investments	-	-	-	-
Long-term loans and advances	749	48,192	38,273	13,432,059
	<u>749</u>	<u>48,192</u>	<u>38,273</u>	<u>13,432,059</u>
CURRENT ASSETS				
Trade receivables	580,381	829,469	29,656,958	40,760,654
Cash and bank balances	2,980,033	1,705,025	152,277,064	83,786,054
Short-term loans and advances	5,499	1,809	280,994	88,895
Other current assets	568,907	766,562	29,070,647	37,669,363
	<u>4,134,820</u>	<u>3,302,865</u>	<u>211,285,663</u>	<u>162,304,966</u>
TOTAL	<u>4,135,569</u>	<u>3,351,057</u>	<u>211,323,936</u>	<u>175,737,025</u>

Statement of Profit and Loss Account

	Year Ended 31 March 2016 CAD \$	Year Ended 31 March 2015 CAD \$	Year Ended 31 March 2016 INR 51.09912	Year Ended 31 March 2015 INR 49.14066
Exchange Rate				
INCOME				
Revenue from operations	7,285,207	6,379,248	372,267,667	313,480,457
Other income	46,391	-	2,370,539	-
TOTAL	7,331,598	6,379,248	374,638,206	313,480,457
EXPENSES				
Employee benefit expenses	2,189,422	2,051,811	111,877,538	100,827,347
Direct project expenses	3,311,349	2,680,006	169,207,020	131,697,264
Other expenses	587,307	125,189	30,010,871	6,151,870
TOTAL	6,088,078	4,857,006	311,095,429	238,676,480
EARNINGS BEFORE INTEREST, TAX, DEPRECIATION AND AMORTISATION (EBITDA)	1,243,520	1,522,242	63,542,777	74,803,977
Depreciation and amortisation expense	-	-	-	-
Finance costs	-	-	-	-
PROFIT BEFORE TAX	1,243,520	1,522,242	63,542,777	74,803,977
Tax expense				
Current tax	348,800	418,053	17,823,366	20,543,400
Prior Year Tax	15,147	-	774,005	-
PROFIT FOR THE PERIOD	879,573	1,104,189	44,945,406	54,260,577
Earnings per equity share:				
Face value of CAD \$ 1 each)	8,795.73	11,041.89	449,454.00	542,605.76
Basic & diluted (in CAD \$)				

Cash Flow Statement

	Year Ended 31 March 2016 CAD	Year Ended 31 March 2015 CAD	Year Ended 31 March 2016 INR	Year Ended 31 March 2015 INR
Exchange Rate			51.09912	49.14066
Cash flows from operating activities				
Profit/ (Loss) before taxation	1,243,520	1,522,242	63,542,777.70	74,803,976.56
Adjustment for :				
Operating profit before working capital changes	1,243,520	1,522,242	63,542,778	74,803,977
Decrease in trade receivables	249,088	930,918	12,728,177.60	45,745,924.93
Decrease/ (Increase) in loans and advances	(3,690)	(208,456)	(188,555.75)	(10,243,665.42)
Decrease in other current assets	197,655	(673,063)	10,099,996.56	(33,074,760.04)
Increase/ (Decrease) in trade payables	151,210	(81,429)	7,726,697.94	(4,001,474.80)
Increase/ (Decrease) in provisions	(82,484)		(4,214,859.81)	-
Increase/ (Decrease) in other current liabilities	(163,787)	161,342	(8,369,371.57)	7,928,452.37
Cash generated from operations	1,591,512	1,651,554	81,324,863	81,158,454
Refund received/ (tax paid)	(363,947)	-	(18,597,371.43)	-
Decrease/(increase) in loans and advances	47,443	-	2,424,295.55	-
Net cash generated from operating activities	1,275,008	1,651,554	62,727,491	81,158,454
Cash flows from investing activities	-	-	-	-
Net cash used in investing activities	-	-	-	-
Cash flows from financing activities	-	-	-	-
Net cash used in financing activities	-	-	-	-
Net (decrease)/ Increase in cash and cash equivalents	1,275,008	1,651,554	65,151,786.79	81,158,448.67
Cash and cash equivalents at beginning of the year	1,705,025	53,471	87,125,277.08	2,627,600.23
Cash and cash equivalents at the end of the year	2,980,033	1,705,025	152,277,064	83,786,049