

**INDEPENDENT AUDITOR'S REPORT**

To the Board of Directors of AXISCADES Technologies Limited

**Report on the Audit of Special Purpose Financial Statements of AXISCADES, Inc.****Opinion**

We have audited the Special Purpose Financial Statements of AXISCADES, Inc. (the "Company"), which comprises the Balance sheet as at March 31, 2023, the Statement of Profit and Loss, including the statement of Other Comprehensive Income, the Statement of Changes in Equity and the Cash Flow Statement for the year then ended, and notes to the financial statements, including a summary of the significant accounting policies and other explanatory information. These Special Purpose Financial Statements have been prepared by the Management as per group accounting policies of AXISCADES 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 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 Financial Statements.

**Basis for Opinion**

We conducted our audit of the Special Purpose 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 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 Financial Statements.

**Responsibilities of Management for the Special Purpose Financial Statements**

The Holding Company's Board of Directors are responsible for preparation and fair presentation of these Special Purpose Financial Statements in accordance with the basis of preparation as set out in Note 2.1 of the Special Purpose 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 Financial Statements that are free from material misstatement, whether due to fraud or error.

In preparing the Special Purpose 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 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 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 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. 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 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.
- Evaluate the overall presentation, structure and content of the Special Purpose Financial Statements, including the disclosures, and whether the Special Purpose Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

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.



# **S.R. BATLIBOI & ASSOCIATES LLP**

Chartered Accountants

## **Restriction of use and distribution**

This report on the Special Purpose Financial Statements has been issued solely to assist AXISCADES Technologies Limited, the Holding Company, to prepare its consolidated 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. We do not accept or assume any liability or duty of care to any other person to whom this report is shown or into whose hands it may come.

**For S.R. Batliboi & Associates LLP**

Chartered Accountants

ICAI Firm Registration Number: 101049W/E300004

*Pradip Agarwal*

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**per Pradip Agarwal**

Partner

Membership Number: 065537

UDIN: 23065537BGYYEX6160



Place of Signature: Bengaluru

Date: May 22, 2023

AXISCADES, Inc.

Balance Sheet as at March 31, 2023

(All amounts in USD, unless otherwise stated)

	Notes	As at March 31, 2023	As at March 31, 2022
<b>Assets</b>			
<b>Non-current assets</b>			
Property, plant and equipment	3	6,908	11,876
Intangible assets	4	-	1,325
Right-of-use assets	28	22,865	1,17,364
<b>Financial assets</b>			
Investments	5	5,18,100	5,18,100
Other financial assets	6	5,279	5,279
Deferred tax asset, net	7	1,81,096	6,90,162
		<u>7,34,248</u>	<u>13,44,106</u>
<b>Current assets</b>			
<b>Financial assets</b>			
Trade receivables	8	28,19,107	31,73,477
Cash and cash equivalent	9	6,14,901	2,34,443
Other financial assets	6	24,70,298	8,93,449
Other current assets	10	98,375	1,15,311
		<u>60,02,681</u>	<u>44,16,680</u>
<b>Total assets</b>		<u><u>67,36,929</u></u>	<u><u>57,60,786</u></u>
<b>Equity and liabilities</b>			
<b>Equity</b>			
Equity share capital	11	22,47,227	22,47,227
Other equity	12	28,29,781	9,10,598
		<u>50,77,008</u>	<u>31,57,825</u>
<b>Non-current liabilities</b>			
<b>Financial Liabilities</b>			
Lease liabilities	13	-	30,027
		<u>-</u>	<u>30,027</u>
<b>Current liabilities</b>			
<b>Financial Liabilities</b>			
Borrowings	14	-	8,00,000
Lease liabilities	13	30,027	1,05,140
Trade payables	15	6,66,720	11,52,665
Other financial liabilities	16	4,14,647	3,29,036
Other current liabilities	17	66,152	1,36,144
Liabilities for current tax, net	18	4,82,375	49,949
		<u>16,59,921</u>	<u>25,72,934</u>
<b>Total liabilities</b>		<u>16,59,921</u>	<u>26,02,961</u>
<b>Total equity and liabilities</b>		<u>67,36,929</u>	<u>57,60,786</u>

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

*Pradip Agarwal*

per Pradip Agarwal

Partner

Membership Number : 065537

Date: May 22, 2023

Place: Bengaluru



For and on behalf of the Board of Directors of

*Sharadji Chandra Babu Pampapathy*

Sharadji Chandra Babu Pampapathy

Director

DIN : 02809502

Date: May 22, 2023

Place: Bengaluru

*Arun Krishnamurthi*

Arun Krishnamurthi

Director

DIN : 09408190

Date: May 22, 2023

Place: Bengaluru



AXISCADES, Inc.  
Statement of Profit and Loss for the year ended March 31, 2023

(All amounts in USD, unless otherwise stated)

	Notes	Year ended March 31, 2023	Year ended March 31, 2022
<b>Income</b>			
Revenue from contracts with customers	19	1,60,31,883	1,70,76,519
Other income	20	76,342	5,260
<b>Total income</b>		<b>1,61,08,225</b>	<b>1,70,81,779</b>
<b>Expenses</b>			
Employee benefits expense	21	79,39,426	1,16,79,818
Depreciation and amortisation expenses	22	1,03,102	1,12,914
Finance costs	23	95,964	66,427
Other expenses	24	52,46,611	45,78,091
<b>Total expense</b>		<b>1,33,85,103</b>	<b>1,64,37,250</b>
<b>Profit before tax</b>		<b>27,23,122</b>	<b>6,44,529</b>
Current tax	25	2,81,159	2,02,419
Adjustment of tax relating to earlier years	25	13,713	-
Deferred tax charge	25	5,09,067	14,992
<b>Income tax expense</b>		<b>8,03,939</b>	<b>2,17,411</b>
<b>Profit after tax</b>		<b>19,19,183</b>	<b>4,27,118</b>
<b>Other comprehensive income</b>		<b>-</b>	<b>-</b>
<b>Total comprehensive income for the year, net of tax</b>		<b>19,19,183</b>	<b>4,27,118</b>
<b>Earnings per equity share</b>			
Basic and diluted	26	97.30	21.65

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

*Pradip Agarwal*

per Pradip Agarwal  
Partner  
Membership Number : 065537

Date: May 22, 2023  
Place: Bengaluru



For and on behalf of the Board of Directors

*Sharadhi Chandra Babu Pampapathy*

Sharadhi Chandra Babu Pampapathy  
Director  
DIN : 02809502

Date: May 22, 2023  
Place: Bengaluru

*Arun Krishnamurthi*

Arun Krishnamurthi  
Director  
DIN : 09408190

Date: May 22, 2023  
Place: Bengaluru



**AXISCADES, Inc.**  
**Statement of Changes in Equity for the year ended March 31, 2023**  
 (All amounts in USD, unless otherwise stated)

**A. Equity share capital**

Equity shares with no par value fully paid up  
 As at April 1, 2021  
 Issued during the year  
 As at March 31, 2022  
 Issued during the year  
 As at March 31, 2023

	Number	Amount
As at April 1, 2021	19,725	22,47,227
Issued during the year	-	-
As at March 31, 2022	19,725	22,47,227
Issued during the year	-	-
As at March 31, 2023	19,725	22,47,227

**B. Other equity**

As at April 1, 2021  
 Profit for the year  
 Share based payment reserve  
 As at March 31, 2022  
 Profit for the year  
 As at March 31, 2023

	Retained earnings	Total
As at April 1, 2021	4,96,151	4,96,151
Profit for the year	4,27,118	4,27,118
Share based payment reserve	(12,671)	(12,671)
As at March 31, 2022	9,10,598	9,10,598
Profit for the year	19,19,183	19,19,183
As at March 31, 2023	28,29,781	28,29,781

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

*Pradip Agarwal*

per Pradip Agarwal  
 Partner  
 Membership Number : 065537



Date: May 22, 2023  
 Place: Bengaluru

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

*Sharadhi Chandra Babu Pampapathy*

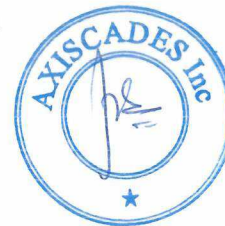
Sharadhi Chandra Babu Pampapathy  
 Director  
 DIN : 02809502

Date: May 22, 2023  
 Place: Bengaluru

*Arun Krishnamurthi*

Arun Krishnamurthi  
 Director  
 DIN : 09408190

Date: May 22, 2023  
 Place: Bengaluru



AXISCADES, Inc.  
**Statement of Cash Flows for the year ended March 31, 2023**  
 (All amounts in USD, unless otherwise stated)

	Notes	Year ended March 31, 2023	Year ended March 31, 2022
<b>(A) Cash flow from operating activities</b>			
Profit before tax		27,23,122	6,44,529
<b>Adjustments for:</b>			
Depreciation of property, plant and equipment and right-of-use assets	22	1,01,777	1,10,640
Amortization of intangible assets	22	1,325	2,274
Lease modification		-	(5,916)
Finance cost	23	61,948	66,427
Provision for bad and doubtful debts	24	-	6,134
Provision no longer required written back	20	-	(5,260)
Unrealised gain or loss		(555)	52
<b>Operating profit before working capital changes</b>		<b>28,87,617</b>	<b>8,18,880</b>
<b>Adjustments for working capital changes</b>			
Decrease in trade receivables		3,54,925	1,20,795
(Increase) in other financial assets		(15,76,849)	(1,64,438)
Decrease / (increase) in other assets		16,936	(27,166)
(Decrease) / increase in trade payables		(4,85,945)	1,84,122
Increase / (decrease) in other financial liabilities		94,295	(3,54,622)
(Decrease) in other liabilities		(69,992)	(1,52,081)
<b>Cash generated from operating activities</b>		<b>12,20,987</b>	<b>4,25,490</b>
Direct taxes paid (net of refunds)		1,37,554	(1,87,220)
<b>Net cash generated from operating activities (A)</b>		<b>13,58,541</b>	<b>2,38,270</b>
<b>(B) Cash flow from investing activities</b>			
Purchase of property, plant and equipment and intangible assets	3	(2,310)	(4,406)
<b>Net cash used in investing activities (B)</b>		<b>(2,310)</b>	<b>(4,406)</b>
<b>(C) Cash flow from financing activities</b>			
Repayment of short term borrowings	14	-	(85,070)
Repayment of inter corporate deposit	14	(8,00,000)	(2,00,000)
Payment of principal portion of lease liabilities	28	(1,05,140)	(94,034)
Payment of interest portion of lease liabilities	28	(7,432)	(17,347)
Interest paid		(63,201)	(40,395)
<b>Net cash used in financing activities (C)</b>		<b>(9,75,773)</b>	<b>(4,36,846)</b>
<b>Net increase / (decrease) in cash and cash equivalents (A+B+C)</b>		<b>3,80,458</b>	<b>(2,02,982)</b>
Cash and cash equivalents at beginning of the year		2,34,443	4,37,425
<b>Cash and cash equivalents at the end of the year</b>	9	<b>6,14,901</b>	<b>2,34,443</b>

Refer note 9 for changes in liabilities arising from financing activities.

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

*Pradip Agarwal*

per Pradip Agarwal  
 Partner

Membership Number : 065537

Date: May 22, 2023

Place: Bengaluru



For and on behalf of the Board of Directors

*Sharadhi Chandra Babu Pampapathy*

Sharadhi Chandra Babu Pampapathy  
 Director  
 DIN : 02809502

Date: May 22, 2023

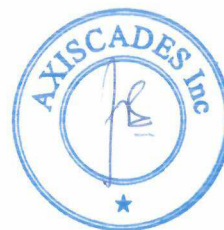
Place: Bengaluru

*Arun Krishnamurthi*

Arun Krishnamurthi  
 Director  
 DIN : 09408190

Date: May 22, 2023

Place: Bengaluru



**AXISCADES, Inc.**

**Notes to the special purpose financial statement for the year ended March 31, 2023**

(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 (USA). These financial statements have been approved by the Board of Directors in the meeting held on May 22, 2023.

**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 Companies Act, 2013, where every Company having a subsidiary shall place separate audited accounts in respect of each of its subsidiary on its website and provide a copy of separate audited financials statement in respect of its subsidiary, to any shareholder of the Company who asks for it.

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

The financial statements are prepared in United States Dollar 'USD' and all values are in full figures, except when otherwise indicated.

**2.2 Summary of significant accounting policies**

**(a) Current versus non-current classification**

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

- Expected to be realised or intended to be sold or consumed in the normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period, or
- 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

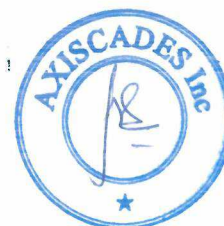
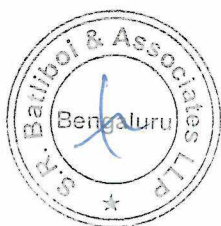
The terms of the liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

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.

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AXISCADES, Inc.

Notes to the special purpose financial statement for the year ended March 31, 2023

(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.

(b) Property plant and equipment

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

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

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

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

<u>Category of assets</u>	<u>Useful life estimated by Management</u>
Office 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 recipient 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 recognised.

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>
Softwares	3 years

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**AXISCADES, Inc.**

**Notes to the special purpose financial statement for the year ended March 31, 2023**

(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**

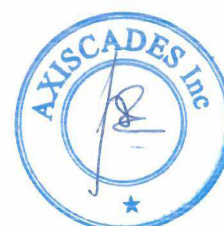
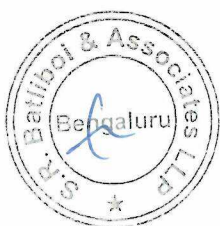
The Company has lease contracts for buildings used in its operations. Lease terms generally ranges between two and five years.

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.

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AXISCADES, Inc.

Notes to the special purpose financial statement for the year ended March 31, 2023

(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**

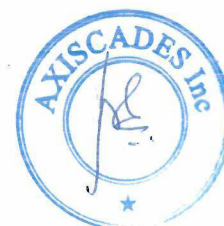
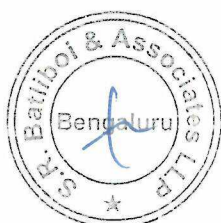
A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

**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.

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AXISCADES, Inc.

Notes to the special purpose financial statement for the year ended March 31, 2023

(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.

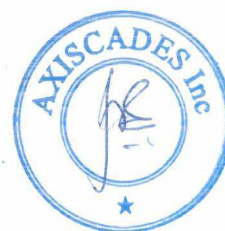
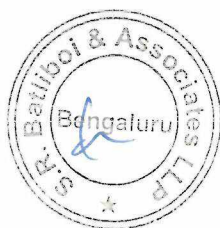
*Debt instrument at FVTPL*

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.

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AXISCADES, Inc.

Notes to the special purpose financial statement for the year ended March 31, 2023

(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.

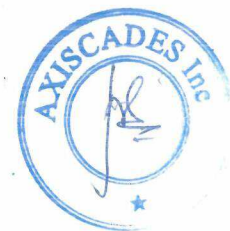
Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

*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.

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AXISCADES, Inc.

Notes to the special purpose financial statement for the year ended March 31, 2023

(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.

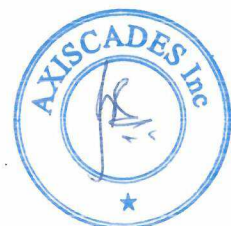
Trade receivables

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.

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AXISCADES, Inc.

Notes to the special purpose financial statement for the year ended March 31, 2023

(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.

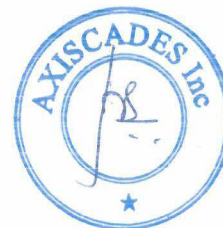
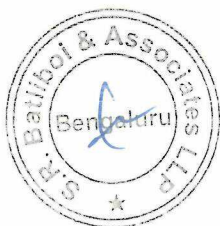
*Derecognition*

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.

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AXISCADES, Inc.

Notes to the special purpose financial statement for the year ended March 31, 2023

(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.

*Interest 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 other income in the statement of profit and loss.

**Contract balances**

*Contract assets:*

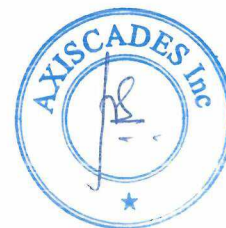
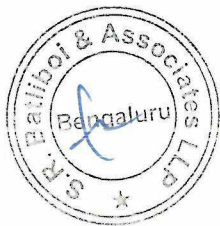
A contract asset is the right to consideration in exchange for services transferred to the customer. If the Company performs by providing services to a customer before the customer pays consideration or before payment is due, a contract asset is recognised for the earned consideration that is conditional.

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.

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AXISCADES, Inc.

Notes to the special purpose financial statement for the year ended March 31, 2023

(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**

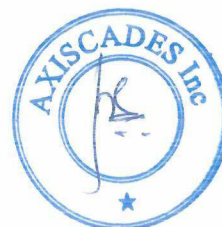
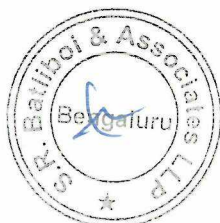
The Company’s investment in equity instruments in subsidiaries are accounted for at cost. Where the carrying amount of an investment in greater than its estimated recoverable amount, it is written down immediately to its recoverable amount and the difference is transferred to the Statement of Profit 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.

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AXISCADES, Inc.

Notes to the special purpose financial statement for the year ended March 31, 2023

(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 reassessed 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.

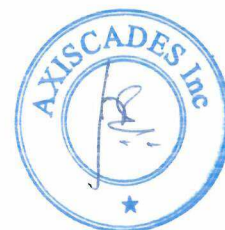
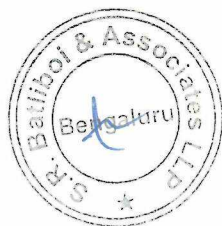
**(l) Provisions**

*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.

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**AXISCADES, Inc.**

**Notes to the special purpose financial statement for the year ended March 31, 2023**

(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.

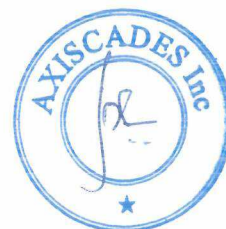
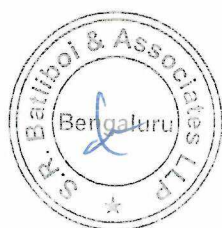
All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- 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.

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AXISCADES, Inc.

Notes to the special purpose financial statement for the year ended March 31, 2023

(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.

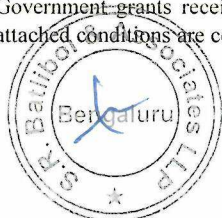
*Short-term employee benefits*

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.

**(r) Government grants**

Government grants are recognised where there is reasonable assurance that the grant will be received, and all attached conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. When the grant relates to an asset, it is recognised as income in equal amounts over the expected useful life of the related asset.

Government grants received by the Company related to expense item and it is reduced from related expense based on the receipt and all attached conditions are complied with.



AXISCADES, Inc.

Notes to the special purpose financial statement for the year ended March 31, 2023

(All amounts in USD, unless otherwise stated)

**2(ii) Changes in accounting policies and disclosures**

There are no new accounting policies applied during the current year

**2(iii) New and amended standards**

The Company applied for the first-time certain standards and amendments, which are effective for annual periods beginning on or after 1 April 2022. The Company has not early adopted any other standard or amendment that has been issued but is not yet effective:

**(i) Ind AS 16 - Property, Plant and Equipment: Proceeds before Intended Use**

The Ministry of Corporate Affairs has notified Companies (Indian Accounting Standard) Amendment Rules 2022 dated March 23, 2022, which is effective from April 01, 2022 to amend the Ind AS 16 to clarify that excess of net sale proceeds of items produced over the cost of testing, if any, shall not be recognised in the profit or loss but deducted from the directly attributable costs considered as part of cost of an item of property, plant, and equipment.

**(ii) Ind AS 109 Financial Instruments – Fees in the '10 per cent' test for derecognition of financial liabilities**

The Ministry of Corporate Affairs has notified Companies (Indian Accounting Standard) Amendment Rules 2022 dated March 23, 2022, which is effective from April 01, 2022 to amend the Ind AS 109 to clarify the fees that an entity includes when assessing whether the terms of a new or modified financial liability are substantially different from the terms of the original financial liability. These fees include only those paid or received between the borrower and the lender, including fees paid or received by either the borrower or lender on the other's behalf.

The amendments are effective for annual reporting periods beginning on or after 1 April 2022. These amendments had no impact on the standalone financial statements of the company as there were no modifications/exchange's of the Company financial instruments during the period.

**(iii) Ind AS 37 - Onerous Contracts – Costs of Fulfilling a Contract**

The Ministry of Corporate Affairs has notified Companies (Indian Accounting Standard) Amendment Rules 2022 dated March 23, 2022, which is effective from April 01, 2022 to clarify that an onerous contract is a contract under which the unavoidable of meeting the obligations under the contract costs (i.e., the costs that the Company cannot avoid because it has the contract) exceed the economic benefits expected to be received under it.

The amendments specify that when assessing whether a contract is onerous or loss-making, an entity needs to include costs that relate directly to a contract to provide goods or services including both incremental costs (e.g., the costs of direct labour and materials) and an allocation of costs directly related to contract activities (e.g., depreciation of equipment used to fulfil the contract and costs of contract management and supervision). General and administrative costs do not relate directly to a contract and are excluded unless they are explicitly chargeable to the counterparty under the contract.

**(iv) Ind AS 103 - Reference to the Conceptual Framework**

The amendments replaced the reference to the ICAI's "Framework for the Preparation and Presentation of Financial Statements under Indian Accounting Standards" with the reference to the "Conceptual Framework for Financial Reporting under Indian Accounting Standard" without significantly changing its requirements.

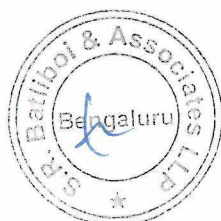
The amendments also added an exception to the recognition principle of Ind AS 103 Business Combinations to avoid the issue of potential 'day 2' gains or losses arising for liabilities and contingent liabilities that would be within the scope of Ind AS 37 Provisions, Contingent Liabilities and Contingent Assets or Appendix C, Levies, of Ind AS 37, if incurred separately. The exception requires entities to apply the criteria in Ind AS 37 or Appendix C, Levies, of Ind AS 37, respectively, instead of the Conceptual Framework, to determine whether a present obligation exists at the acquisition date.

The amendments also add a new paragraph to Ind AS 103 to clarify that contingent assets do not qualify for recognition at the acquisition date.

These amendments had no impact on the standalone financial statements of the Company as there were no contingent assets, liabilities or contingent liabilities within the scope of these amendments that arose during the period.

**2(iv) Standards notified but not yet effective**

The Ministry of Corporate Affairs has notified Companies (Indian Accounting Standards) Amendment Rules, 2023 dated 31 March 2023 to amend the following Ind AS which are effective from 01 April 2023.



**AXISCADES, Inc.**

**Notes to the special purpose financial statement for the year ended March 31, 2023**

(All amounts in USD, unless otherwise stated)

**(i) Ind AS 8 - Definition of Accounting Estimates**

The amendments clarify the distinction between changes in accounting estimates and changes in accounting policies and the correction of errors. It has also been clarified how entities use measurement techniques and inputs to develop accounting estimates.

The amendments are effective for annual reporting periods beginning on or after 1 April 2023 and apply to changes in accounting policies and changes in accounting estimates that occur on or after the start of that period.

The amendments are not expected to have a material impact on the standalone financial statements.

**(ii) Ind AS 1 - Disclosure of Accounting Policies**

The amendments aim to help entities provide accounting policy disclosures that are more useful by replacing the requirement for entities to disclose their 'significant' accounting policies with a requirement to disclose their 'material' accounting policies and adding guidance on how entities apply the concept of materiality in making decisions about accounting policy disclosures.

The amendments to Ind AS 1 are applicable for annual periods beginning on or after 1 April 2023. Consequential amendments have been made in Ind AS 107.

The Company is currently revisiting their accounting policy information disclosures to ensure consistency with the amended requirements.

**(iii) Ind AS 12 - Deferred Tax related to Assets and Liabilities arising from a Single Transaction**

The amendments narrow the scope of the initial recognition exception under Ind AS 12, so that it no longer applies to transactions that give rise to equal taxable and deductible temporary differences.

The amendments should be applied to transactions that occur on or after the beginning of the earliest comparative period presented. In addition, at the beginning of the earliest comparative period presented, a deferred tax asset (provided that sufficient taxable profit is available) and a deferred tax liability should also be recognised for all deductible and taxable temporary differences associated with leases and decommissioning obligations. Consequential amendments have been made in Ind AS 101. The amendments to Ind AS 12 are applicable for annual periods beginning on or after 1 April 2023.

The Company is currently assessing the impact of the amendments.

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**AXISCADES, Inc.**

**Notes to the special purpose financial statement for the year ended March 31, 2023**

(All amounts in USD, unless otherwise stated)

**3 Property, plant and equipment (PPE)**

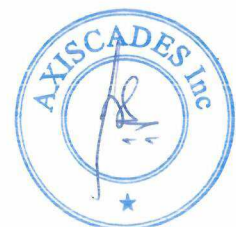
	Computers	Furniture and fixtures	Office equipments	Total
<b>Cost</b>				
As at April 01, 2021	81,058	30,379	1,320	1,12,757
Additions	4,116	-	1,411	5,527
Disposals	-	-	-	-
As at March 31, 2022	85,174	30,379	2,731	1,18,284
Additions	1,415	-	895	2,310
Disposals	-	-	-	-
As at March 31, 2023	86,589	30,379	3,626	1,20,594
<b>Accumulated depreciation</b>				
As at April 01, 2021	62,070	29,396	569	92,035
Depreciation charge for the year	13,996	197	180	14,373
Disposals	-	-	-	-
As at March 31, 2022	76,066	29,593	749	1,06,408
Depreciation charge for the year	6,848	197	233	7,278
Disposals	-	-	-	-
As at March 31, 2023	82,914	29,790	982	1,13,686
<b>Net book value</b>				
As at March 31, 2022	9,108	786	1,982	11,876
As at March 31, 2023	3,675	589	2,644	6,908

**4 Intangible assets**

	Software	Total
<b>Cost</b>		
As at April 01, 2021	6,827	6,827
Additions	-	-
Disposals	-	-
As at March 31, 2022	6,827	6,827
Additions	-	-
Disposals	-	-
As at March 31, 2023	6,827	6,827
<b>Accumulated amortisation</b>		
As at April 01, 2021	3,228	3,228
Depreciation charge for the year	2,274	2,274
Disposals	-	-
As at March 31, 2022	5,502	5,502
Depreciation charge for the year	1,325	1,325
Disposals	-	-
As at March 31, 2023	6,827	6,827
<b>Net block</b>		
As at March 31, 2022	1,325	1,325
As at March 31, 2023	-	-



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AXISCADES, Inc.  
Notes to the special purpose financial statement for the year ended March 31, 2023  
(All amounts in USD, unless otherwise stated)

5 Investment

	As at March 31, 2023	As at March 31, 2022
<b>Trade (unquoted, valued at cost)</b>		
Investments in equity instrument of subsidiary:		
AXISCADES UK Limited 575,476 equity shares of GBP 1 each. (March 31, 2022 : 575,476)	11,49,031	11,49,031
Less: Impairment allowance (refer note (i) below)	(6,30,931)	(6,30,931)
<b>Total Investment</b>	<b>5,18,100</b>	<b>5,18,100</b>
Aggregate value of unquoted investments	11,49,031	11,49,031
Aggregate amount of impairment in value of investments	6,30,931	6,30,931

Note-

- (i) The recoverable amount of the investment in AXISCADES UK Limited of USD 518,100 as at March 31, 2023 (March 31, 2022: USD 518,100), has been determined based on a equity valuation calculated using cash flow projections covering a three-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, 2023 (March 31, 2022 : Nil).
- (ii) Description of valuation techniques used and key inputs to valuation on equity valuation of subsidiary:

Assumptions	For the year ended March 31, 2023	For the year ended March 31, 2022
- Valuation technique	DCF	DCF
- Significant unobservable inputs		
Discount rate	12.10%	11.60%
Long term sustainable annual growth	1.00%	1.00%

6 Other financial assets

Financial assets at amortised cost

Non-current

(Unsecured, considered good)

Security deposits

	As at March 31, 2023	As at March 31, 2022
Security deposits	5,279	5,279
	<b>5,279</b>	<b>5,279</b>

Current

(Unsecured, considered good)

Contract asset - Unbilled revenue

Government grant receivable (refer note 21)

Other receivable from related parties (refer note 27)

Contract asset - Unbilled revenue	6,05,949	8,61,705
Government grant receivable (refer note 21)	18,28,379	-
Other receivable from related parties (refer note 27)	35,970	31,744
	<b>24,70,298</b>	<b>8,93,449</b>

7 Deferred tax asset, net

- on Expected credit loss for trade receivables

- on Impairment allowance of investment

- on Property, plant and equipment

- on Right-to-use asset

**Total deferred tax asset (i)**

	As at March 31, 2023	As at March 31, 2022
- on Expected credit loss for trade receivables	-	5,20,261
- on Impairment allowance of investment	1,77,923	1,75,098
- on Property, plant and equipment	-	256
- on Right-to-use asset	5,193	-
<b>Total deferred tax asset (i)</b>	<b>1,83,116</b>	<b>6,95,615</b>

Deferred tax liability

- on Property, plant and equipment

- on Right-to-use asset

**Total deferred tax liability (ii)**

- on Property, plant and equipment	2,020	-
- on Right-to-use asset	-	5,453
<b>Total deferred tax liability (ii)</b>	<b>2,020</b>	<b>5,453</b>

**Deferred tax asset, net [i-ii]**

<b>Deferred tax asset, net [i-ii]</b>	<b>1,81,096</b>	<b>6,90,162</b>
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8 Trade receivables

Trade receivables

	As at March 31, 2023	As at March 31, 2022
Trade receivables	28,19,107	31,73,477
	<b>28,19,107</b>	<b>31,73,477</b>

Break up of trade receivables

Secured, considered good

Unsecured, considered good

Trade Receivables which have significant increase in credit risk (refer note (iii) below)

Trade Receivables - credit impaired (refer note (iii) below)

Secured, considered good	-	-
Unsecured, considered good	28,19,107	31,73,477
Trade Receivables which have significant increase in credit risk (refer note (iii) below)	-	18,85,765
Trade Receivables - credit impaired (refer note (iii) below)	14,323	-
	<b>28,33,430</b>	<b>50,59,242</b>

Impairment Allowance (allowance for bad and doubtful debts)

Unsecured, considered good

Trade Receivables which have significant increase in credit risk (refer note (iii) below)

Trade Receivables - credit impaired (refer note (iii) below)

Unsecured, considered good	-	-
Trade Receivables which have significant increase in credit risk (refer note (iii) below)	-	18,85,765
Trade Receivables - credit impaired (refer note (iii) below)	14,323	-
	<b>14,323</b>	<b>18,85,765</b>
	<b>28,19,107</b>	<b>31,73,477</b>





Trade receivables ageing schedule as on 31st March 2023

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	28,08,304	10,803	-	-	-	-	28,19,107
(ii) Undisputed trade receivables- which has significant increase in credit risk	-	-	-	-	-	-	-
(iii) Undisputed trade receivables- credit impaired	-	-	-	-	-	-	-
(iv) Disputed trade receivables- considered doubtful	-	-	-	-	-	-	-
(v) Disputed trade receivables- which has significant increase in credit risk	-	-	-	-	-	14,323	14,323
(vi) Disputed trade receivables- credit impaired	-	-	-	-	-	-	-
<b>Total</b>	<b>28,08,304</b>	<b>10,803</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>14,323</b>	<b>28,33,430</b>

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
(v) Disputed trade receivables- which has significant increase in credit risk	-	-	-	-	-	-	-
(vi) Disputed trade receivables- credit impaired	-	-	-	-	-	-	-
<b>Total</b>	<b>29,97,171</b>	<b>1,75,011</b>	<b>1,295</b>	<b>-</b>	<b>-</b>	<b>18,85,765</b>	<b>50,59,242</b>

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. Pursuant to approval from board, Company has written off the provision for trade receivables amounting to USD 1,871,442 during the year.

9 Cash and cash equivalent

	As at March 31, 2023	As at March 31, 2022
Balances with banks - on current accounts	6,14,901	2,34,443
	<b>6,14,901</b>	<b>2,34,443</b>

(i) As at 31 March 2023, the Company has USD 2,000,000 (31 March 2022: USD 2,000,000) of undrawn committed overdraft facilities.

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

	As at March 31, 2023	As at March 31, 2022
Balances with banks	6,14,901	2,34,443
	<b>6,14,901</b>	<b>2,34,443</b>

Changes in liabilities arising from financing

Particulars	As at April 1, 2022	Cash Flow(net)	Non cash changes		As at March 31, 2023
			Change in fair value	Others	
Current and non current lease liabilities (refer note 28)	1,35,167	(1,12,572)	-	7,432	30,027
Loans from related party	8,00,000	(8,00,000)	-	-	-

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



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**AXISCADES, Inc.**  
**Notes to the special purpose financial statement for the year ended March 31, 2023**  
 (All amounts in USD, unless otherwise stated)

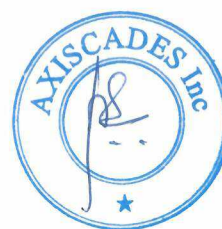
**10 Other current assets**

	As at March 31, 2023	As at March 31, 2022
(Unsecured, considered good)		
Prepaid expenses	95,875	1,06,811
Advance to employees	2,500	8,500
	<b>98,375</b>	<b>1,15,311</b>

**Breakup of financial assets carried at amortised cost**

	Notes	As at March 31, 2023	As at March 31, 2022
Trade receivables	8	28,19,107	31,73,477
Cash and cash equivalent	9	6,14,901	2,34,443
Other financial assets	6	24,75,577	8,98,728
<b>Total financial assets carried at amortised cost</b>		<b>59,09,585</b>	<b>43,06,648</b>

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AXISCADES, Inc.

Notes to the special purpose financial statement for the year ended March 31, 2023

(All amounts in USD, unless otherwise stated)

11 Equity share capital	As at March 31, 2023		As at March 31, 2022	
	Number	Amount	Number	Amount
<b>Authorised share capital</b>				
Equity shares with no par value, fully paid up	19,725	22,47,227	19,725	22,47,227
	<b>19,725</b>	<b>22,47,227</b>	<b>19,725</b>	<b>22,47,227</b>
<b>Issued, subscribed and paid-up share capital</b>				
Equity shares with no par value, fully paid up	19,725	22,47,227	19,725	22,47,227
	<b>19,725</b>	<b>22,47,227</b>	<b>19,725</b>	<b>22,47,227</b>

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

Equity shares with no par value, fully paid	As at March 31, 2023		As at March 31, 2022	
	Number	Amount	Number	Amount
At the beginning of the year	19,725	22,47,227	19,725	22,47,227
Add: Issued and subscribed during the year	-	-	-	-
<b>Outstanding at the end of the year</b>	<b>19,725</b>	<b>22,47,227</b>	<b>19,725</b>	<b>22,47,227</b>

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

AXISCADES Technologies Limited	As at March 31, 2023		As at March 31, 2022	
	Number	Amount	Number	Amount
	19,725	22,47,227	19,725	22,47,227
	<b>19,725</b>	<b>22,47,227</b>	<b>19,725</b>	<b>22,47,227</b>

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

AXISCADES Technologies Limited	As at March 31, 2023		As at March 31, 2022	
	Number	Percentage	Number	Percentage
	19,725	100%	19,725	100%

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

f. Details of shares held by promoter

As at March 31, 2023

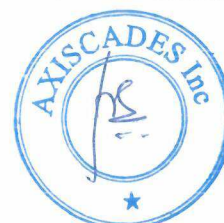
Promoter name	No. of shares at beginning of the year	Change during the year	No. of shares at the end of the year	% Total shares	% change during the year
AXISCADES Technologies Limited	19,725	-	19,725	100%	-

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	19,725	-	19,725	100%	-

12 Other equity

Retained earnings	As at	As at
	March 31, 2023	March 31, 2022
Balance at the beginning of the year	9,10,598	4,96,151
Add: Profit for the year	19,19,183	4,27,118
Add/(less): Share based payment	-	(12,671)
<b>Balance at the end of the year</b>	<b>28,29,781</b>	<b>9,10,598</b>



AXISCADES, Inc.

Notes to the special purpose financial statement for the year ended March 31, 2023

(All amounts in USD, unless otherwise stated)

13 Lease liabilities

	As at March 31, 2023	As at March 31, 2022
<b>Carried at amortised cost</b>		
<b>Non current</b>		
Lease liabilities (refer note 28)	30,027	1,35,167
Less: Current maturity of lease liabilities	(30,027)	(1,05,140)
<b>Total non-current lease liabilities</b>	<b>-</b>	<b>30,027</b>
<b>Current</b>		
Lease liabilities (refer note 28)	30,027	1,05,140
	<b>30,027</b>	<b>1,05,140</b>

14 Borrowings

	As at March 31, 2023	As at March 31, 2022
<b>Unsecured</b>		
Loans from related party (refer note (i) below)	-	8,00,000
	<b>-</b>	<b>8,00,000</b>

(i) The Company has availed inter-corporate deposits ('ICD') from AXISCADES Technology Canada Inc, fellow subsidiary of the Company. The balance as at March 31, 2023 is NIL (March 31, 2022 : USD 800,000). The ICD carries an interest rate of 4% per annum (March 31, 2022 : 4% per annum) and is repayable on demand. Also refer note 27 for related party disclosures.

15 Trade payables

	As at March 31, 2023	As at March 31, 2022
Dues to related parties (refer note 27)	3,53,768	8,08,971
Dues to others	3,12,952	3,43,694
	<b>6,66,720</b>	<b>11,52,665</b>

Trade Payables ageing schedule as at 31 March 2023

Particulars	Not Due	Outstanding for the following periods from the due date of payment				Total
		Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) Trade payables	6,66,720	-	-	-	-	6,66,720
(ii) Disputed trade payables	-	-	-	-	-	-
(iii) Disputed dues- Others	-	-	-	-	-	-
<b>Total</b>	<b>6,66,720</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>6,66,720</b>

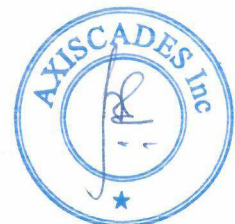
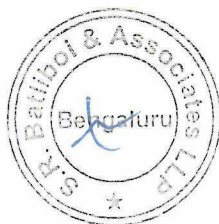
Trade Payables ageing schedule as at 31 March 2022

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

16 Other current financial liabilities

	As at March 31, 2023	As at March 31, 2022
<b>Financial liabilities at amortised cost</b>		
Interest accrued on inter corporate deposit (refer note 27)	-	8,685
Creditors for capital goods	-	1,121
Dues to employees	4,14,647	3,19,230
	<b>4,14,647</b>	<b>3,29,036</b>

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AXISCADES, Inc.

Notes to the special purpose financial statement for the year ended March 31, 2023

(All amounts in USD, unless otherwise stated)

17 Other current liabilities

	As at March 31, 2023	As at March 31, 2022
Duties and taxes payable	66,152	1,36,144
	<u>66,152</u>	<u>1,36,144</u>

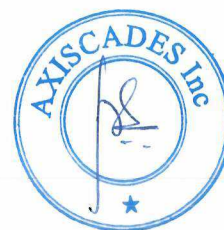
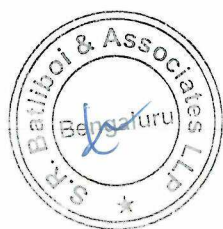
18 Liability for current tax, net

	As at March 31, 2023	As at March 31, 2022
Provision for taxes (net of advance tax)	4,82,375	49,949
	<u>4,82,375</u>	<u>49,949</u>

Breakup of financial liabilities carried at amortised cost

	Notes	As at March 31, 2023	As at March 31, 2022
Lease liabilities	13	30,027	1,35,167
Borrowings	14	-	8,00,000
Trade payables	15	6,66,720	11,52,665
Other current financial liabilities	16	4,14,647	3,29,036
<b>Total financial liabilities carried at amortised cost</b>		<u>11,11,394</u>	<u>24,16,868</u>

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**AXISCADES, Inc.**

**Notes to the special purpose financial statement for the year ended March 31, 2023**

(All amounts in USD, unless otherwise stated)

**19 Revenue from contracts with customers**

	Year ended March 31, 2023	Year ended March 31, 2022
<b>Sale of services</b>		
IT enabled services	1,60,31,883	1,70,76,519
	<b>1,60,31,883</b>	<b>1,70,76,519</b>

**19.1 Disaggregated revenue information**

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

	Year ended March 31, 2023	Year ended March 31, 2022
USA	1,60,16,991	1,70,47,919
outside USA	14,892	28,600
<b>Total revenue from contracts with customers</b>	<b>1,60,31,883</b>	<b>1,70,76,519</b>

**Timing of revenue recognition**

	Year ended March 31, 2023	Year ended March 31, 2022
Services transferred at a point in time	-	-
Services transferred over time	1,60,31,883	1,70,76,519
<b>Total revenue from contracts with customers</b>	<b>1,60,31,883</b>	<b>1,70,76,519</b>

**19.2 Contract assets**

	Year ended March 31, 2023	Year ended March 31, 2022
Trade receivables (refer note 7)	28,19,107	31,73,477
Contract assets- Unbilled revenue (refer note 9)	6,05,949	8,61,705

Trade receivables are non-interest bearing and are generally on terms of 30 to 120 days. In March 31, 2023, Nil (March 31, 2022: USD 6,134) was recognised as provision for expected credit losses on trade receivables. As at March 31, 2023, the Company has provision for expected credit losses of trade receivables of USD 14,323 (March 31, 2022: USD 1,885,765).

The Company classifies the right to consideration in exchange for deliverables as either a receivable or as unbilled revenue. A receivable is a right to consideration that is unconditional upon passage of time. Revenue in excess of invoicing are classified as contract assets (unbilled revenue) while invoicing in excess of revenue are classified as contract liabilities (unearned revenues).

Contract assets relates to revenue earned from engineering design services rendered within the financial year and for which invoicing happens subsequent to the year end. As such, the balances of this account vary and depend on the quantum of engineering design services at the end of the year. During the year ended 31 March 2023, USD 861,705 of contract assets as at 31 March 2022 has been reclassified to receivables on completion of performance obligation. During the year ended 31 March 2022, USD 707,942 of contract assets as at 31 March 2021 has been reclassified to receivables on completion of performance obligation. As at March 31, 2023, the Company has provision for expected credit losses on contract assets of Nil (March 31, 2022: Nil).

**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, 2023 and March 31, 2022.

**20 Other income**

	Year ended March 31, 2023	Year ended March 31, 2022
Provision no longer required, written back	-	5,260
Other income (refer note (i) below)	76,095	-
Miscellaneous income	247	-
	<b>76,342</b>	<b>5,260</b>

**Note-**

- (i) During the year ended March 31, 2023, the Company has received interest aggregating USD 76,095 from the U.S. Government towards delay in disbursement of compensation of employee expenses incurred by the Company during the Covid-19 period, in accordance with Employee Retention Credit Scheme.

**21 Employee benefits expense**

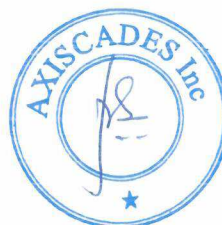
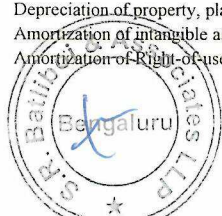
	Year ended March 31, 2023	Year ended March 31, 2022
Salaries, wages and bonus (refer note (i) below)	68,33,072	1,04,30,052
Contribution to social security	6,27,170	6,94,997
Staff welfare expenses	4,46,471	4,78,429
Employee stock Option expenses (refer note 34)	32,713	76,340
	<b>79,39,426</b>	<b>1,16,79,818</b>

**Note-**

- (i) During the year ended March 31, 2023, the Company has received financial assistance aggregating USD 2,629,284 from the U.S. Government towards compensation of employee expenses incurred by the Company during the Covid-19 period, in accordance with Employee Retention Credit Scheme. The Company has reduced the aforesaid amount of financial assistance received with the employee benefit expense during the year ended March 31, 2023. Out of the above, USD 1,828,379 is receivable as at March 31, 2023 which is grouped under Other financial assets.

**22 Depreciation and amortization expense**

	Year ended March 31, 2023	Year ended March 31, 2022
Depreciation of property, plant and equipment (refer note 3)	7,278	14,373
Amortization of intangible assets (refer note 4)	1,325	2,274
Amortization of Right of use assets (refer note 28)	94,499	96,267
	<b>1,03,102</b>	<b>1,12,914</b>



**AXISCADES, Inc.**

Notes to the special purpose financial statement for the year ended March 31, 2023

(All amounts in USD, unless otherwise stated)

**23 Finance cost**

	Year ended March 31, 2023	Year ended March 31, 2022
Interest on loans from bank	27,721	9,885
Interest on inter-corporate deposit (refer note 27)	26,795	39,195
Interest on income tax expenses	34,016	-
Interest on lease liabilities (refer note 28)	7,432	17,347
	<b>95,964</b>	<b>66,427</b>

**24 Other expenses**

	Year ended March 31, 2023	Year ended March 31, 2022
Software subscription charges	2,39,587	2,33,972
Sub-contracting charges	37,31,318	31,08,754
Legal and professional charges	2,66,657	3,49,765
Payment to auditors (refer note (i) below)	16,500	11,000
Travelling and conveyance	1,81,546	90,044
Rent	25,865	19,385
Recruitment and training expenses	90,191	88,565
Insurance expenses	53,485	58,062
Communication expenses	18,879	21,148
Printing and stationery	4,397	4,717
Project expenses	-	11,875
Postage and courier charges	1,074	2,103
Repairs and maintenance		
- Buildings	26,851	24,234
- Others	48,588	44,302
Advertising and marketing expenses	4,44,851	4,22,940
Power and fuel	12,504	10,626
Rates and taxes	60,220	30,189
Expected credit loss for trade receivables	-	6,134
Bank charges	18,816	34,346
Miscellaneous expenses	5,282	5,930
	<b>52,46,611</b>	<b>45,78,091</b>

**(i) Payment to auditors**

	Year ended March 31, 2023	Year ended March 31, 2022
Audit fees	16,500	11,000
	<b>16,500</b>	<b>11,000</b>

**25 Income tax**

The major components of income tax expense are:

	Year ended March 31, 2023	Year ended March 31, 2022
<b>Current Income tax-</b>		
Current income tax charge	2,81,159	2,02,419
Adjustments in respect of current income tax of previous years	13,713	-
<b>Deferred tax charge</b>		
Relating to origination and reversal of temporary differences	5,09,067	14,992
<b>Income tax expense reported in Statement of profit and loss</b>	<b>8,03,939</b>	<b>2,17,411</b>

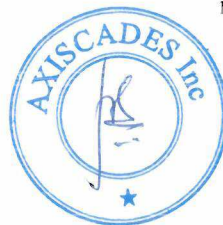
**Reconciliation of tax expenses and the accounting profit multiplied by domestic tax rate**

	Year ended March 31, 2023	Year ended March 31, 2022
<b>Accounting Profit before tax</b>	<b>27,23,122</b>	<b>6,44,529</b>
Tax on accounting profit at statutory income tax rate of 28.20% (March 31, 2022: 27.14%)	7,67,920	1,74,925
Adjustments in respect of current income tax of previous years	(13,713)	-
GILTI Income	34,347	18,361
Other non-deductible expenses for tax purposes	15,385	24,125
<b>Tax expense at the effective income tax rate</b>	<b>8,03,939</b>	<b>2,17,411</b>
Income tax reported in the Statement of Profit and Loss at the effective income tax rate of 29.52% (31 March 2022: 33.73%)	8,03,939	2,17,411

**26 Earnings per share (EPS)**

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

	Year ended March 31, 2023	Year ended March 31, 2022
a) Profit after tax attributable to equity shares	19,19,183	4,27,118
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	97.30	21.65



**AXISCADES, Inc.**

Notes to the special purpose financial statement for the year ended March 31, 2023

(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 :**

<b>Nature of relationship</b>	<b>Name of party</b>
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 :**

<b>Nature of relationship</b>	<b>Name of party</b>
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
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 :**

<b>Name of Related Party</b>	<b>Nature of Transaction</b>	<b>March 31, 2023</b>	<b>March 31, 2022</b>
AXISCADES Technologies Limited	<b>Expenses incurred on behalf of the Holding Company, cross charged</b>		
	Software subscription charges	90,636	83,590
	<b>Expenses incurred by Holding Company on behalf of the Company, cross charged</b>		
	Software subscription charges	41,964	53,683
	Legal expenses	15,020	12,930
	Travelling and conveyance	52,092	35,151
	Insurance expenses	12,627	15,439
	Employee benefit expense	2,52,345	3,56,286
	<b>Sub contracting services provided by the Holding Company</b>		
	Sub-contracting charges	33,63,291	29,71,032
AXISCADES Technology Canada Inc	Repayment of Inter-corporate deposit	8,00,000	2,00,000
	Employee benefit expense	88,457	10,238
	Interest expense	26,795	39,195
Axis Mechanical Engineering Design (Wuxi) Co., Ltd.	Sub-contracting charges	-	21,281
Mr. Ajay Sarin	Remuneration (refer note (i))	4,19,650	3,98,336

Note-

- (i) Total employee benefit expense includes employee stock compensation expense of USD 32,713 (March 31, 2022 USD 76,340) included in the employee stock option scheme expense in the Standalone Statement of Profit and Loss account.

**v. Balances as at the year end**

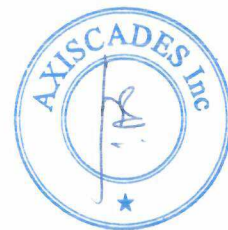
<b>Name of Related Party</b>	<b>Nature of balance</b>	<b>March 31, 2023</b>	<b>March 31, 2022</b>
AXISCADES Technologies Limited	Trade payables	3,53,768	8,08,971
	Other financial assets	35,970	31,744
AXISCADES Technology Canada Inc.	Inter-corporate deposit payable	-	8,00,000
	Trade payables	22,161	10,238
	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
Mr. Ajay Sarin	Remuneration payable*	1,34,642	1,01,218

\* Remuneration payable does not include amount payable on employee stock option scheme

**Terms and conditions of transactions with related parties**

Outstanding balances at the year-end are unsecured, interest free and settlement occurs in cash. There have been no guarantees provided or received for any related party receivables or payables. For the year ended March 31, 2023, the Company has not recorded any impairment of receivables relating to amounts owed by related parties (March 31, 2022: 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.

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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
<b>As at April 01, 2021</b>	2,15,713	2,15,713
Additions	-	-
Amortization expense	(96,267)	(96,267)
Deletions	(2,082)	(2,082)
<b>As at March 31, 2022</b>	<b>1,17,364</b>	<b>1,17,364</b>
Additions	-	-
Amortization expense	(94,499)	(94,499)
Deletions	-	-
<b>As at March 31, 2023</b>	<b>22,865</b>	<b>22,865</b>

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

	Leasehold Buildings	Total
<b>As at April 01, 2021</b>	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)
<b>As at March 31, 2022</b>	<b>1,35,167</b>	<b>1,35,167</b>
Additions	-	-
Deletions	-	-
Accretion of interest	7,432	7,432
Interest payments	(7,432)	(7,432)
Principal payments	(1,05,140)	(1,05,140)
<b>As at March 31, 2023</b>	<b>30,027</b>	<b>30,027</b>
	<b>March 31, 2023</b>	<b>March 31, 2022</b>
Current	30,027	1,05,140
Non-current	-	30,027
	<b>30,027</b>	<b>1,35,167</b>

c) The table below provides details regarding the contractual maturities of lease liabilities as at March 31, 2023 and March 31, 2022 on an undiscounted basis:

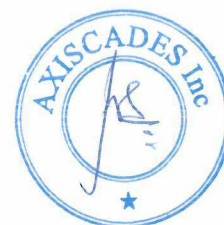
	March 31, 2023	March 31, 2022
Less than one year	30,354	1,12,572
One to five years	-	30,354
More than five years	-	-
	<b>30,354</b>	<b>1,42,926</b>

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, 2023	March 31, 2022
Depreciation expense of right-of-use assets	94,499	96,267
Interest expense on lease liabilities	7,432	17,347
Expense relating to leases of low-value assets (included in other expenses) (refer note 24)	25,865	19,385
<b>Total amount recognised in profit or loss</b>	<b>1,27,796</b>	<b>1,32,999</b>

The Company had total cash outflows for leases of USD 112,572 for the year ended March 31, 2023 (March 31, 2022 USD 111,381). The Company had not added any non-cash additions to right-of-use assets and lease liabilities for the year ended March 31, 2023 (March 31, 2022: NIL). There are no future cash outflows relating to leases that have not yet commenced.



AXISCADES, Inc.

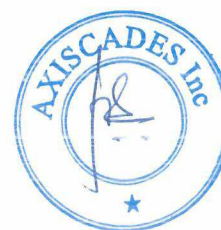
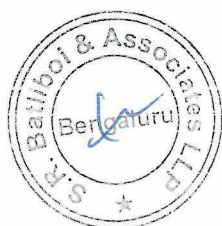
Notes to the special purpose financial statement for the year ended March 31, 2023

(All amounts in USD, unless otherwise stated)

29 Ratio Analysis and its elements

Particulars	Numerator	Denominator	March 31, 2023	March 31, 2022	% change	Reason for variance
(a) Current ratio	Current asset	Current liabilities	3.62	1.72	110.66%	Repayment of borrowings during the year
(b) Debt-equity ratio	Total debt	Shareholder's equity	0.01	0.30	-98.00%	Repayment of borrowings during the year and increase in profit for 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	2.17	1.38	57.67%	Increase in operating profit during the year
(d) Return on equity ratio	Net profits after taxes	Total equity	0.38	0.14	161.14%	Increase in profit during the year
(e) Trade receivables turnover ratio	Net credit sales = Gross credit sales - sales return	Average trade receivable	5.35	5.28	1.34%	
(f) Trade payables turnover ratio	Other expenses + employee benefits expense	Average trade payable	14.50	15.42	-6.00%	
(g) Net capital turnover ratio	Net sales = total sales - sales return	Working capital = Current assets - Current liabilities	5.18	10.47	-50.50%	Decline in revenue & increase in working capital during the year
(h) Net profit ratio	Net profit	Net sales = Total sales - sales return	0.12	0.03	378.61%	Increase in profit during the year
(i) Return on capital employed	Earnings before interest and taxes	Capital Employed = Tangible net worth + Total debt + Deferred tax	0.50	0.17	193.91%	Increase in EBIT during the year

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**AXISCADES, Inc.****Notes to the special purpose financial statement for the year ended March 31, 2023**

(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.

The Company is domiciled in USA. Revenue from customer located in USA amounts to USD 16,016,991 for the year ended March 31, 2023 (March 31, 2022: USD 17,047,919) and from outside USA amounts to USD 14,892 for the year ended March 31, 2023 (March 31, 2022: 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, 2023 and March 31, 2022

**Quantitative disclosure fair value measurement hierarchy as at March 31, 2023**

Particulars	Note	Date of Valuation	Carrying value	Quoted price in active market (Level 1)	Significant observable input (Level 2)	Significant unobservable inputs (Level 3)
<b>Assets carried at amortised cost and cost for which fair values are disclosed</b>						
Investments*	5	March 31, 2023	5,18,100	-	-	5,18,100
Trade receivables*	8	March 31, 2023	28,19,107	-	-	28,19,107
Cash and cash equivalent*	9	March 31, 2023	6,14,901	-	-	6,14,901
Other financial assets*	6	March 31, 2023	24,75,577	-	-	24,75,577
<b>Liabilities carried at amortised cost for which fair value are disclosed</b>						
Lease liabilities*	13	March 31, 2023	30,027	-	-	30,027
Borrowings#	14	March 31, 2023	-	-	-	-
Trade payables	15	March 31, 2023	6,66,720	-	-	6,66,720
Other financial liabilities*	16	March 31, 2023	4,14,647	-	-	4,14,647

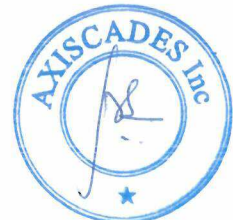
**Quantitative disclosure fair value measurement hierarchy as at March 31, 2022**

Particulars	Note	Date of Valuation	Carrying value	Quoted price in active market (Level 1)	Significant observable input (Level 2)	Significant unobservable inputs (Level 3)
<b>Assets carried at amortised cost and cost for which fair values are disclosed</b>						
Investments*	5	March 31, 2022	5,18,100	-	-	5,18,100
Trade receivables*	8	March 31, 2022	31,73,477	-	-	31,73,477
Cash and cash equivalent*	9	March 31, 2022	2,34,443	-	-	2,34,443
Other financial assets*	6	March 31, 2022	8,98,728	-	-	8,98,728
<b>Liabilities carried at amortised cost for which fair value are disclosed</b>						
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

\*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, 2023**

(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.

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, 2023	March 31, 2022
Borrowings	14	-	8,00,000
Cash and cash equivalent	9	(6,14,901)	(2,34,443)
<b>Net debt*</b>		<b>-</b>	<b>5,65,557</b>
Equity share capital	11	22,47,227	22,47,227
Other equity	12	28,29,781	9,10,598
<b>Capital and net debt</b>		<b>50,77,008</b>	<b>37,23,382</b>
<b>Gearing Ratio</b>			15.19%

\* Where the total debts are less than cash and cash equivalents, the net debts are shown as NIL.

No changes were made in the objectives, policies or processes for managing capital during the year ended March 31, 2023 and March 31, 2022.

**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 2,819,107 as of March 31, 2023 ( March 31, 2022: USD 3,173,477).

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, 2023	March 31, 2022
Trade receivables	28,19,107	31,73,477
Other financial assets	24,75,577	8,98,728
<b>Total</b>	<b>52,94,684</b>	<b>40,72,205</b>

**Credit risk exposure**

The allowance for life time expected credit loss on customer balances for the year ended March 31, 2023 was USD 14,323 [March 31, 2022: USD 18,85,765].

	March 31, 2023	March 31, 2022
Balance at the beginning of the year	18,85,765	18,84,891
Impairment loss recognised	(18,71,442)	6,134
Impairment loss reversed	-	(5,260)
<b>Balance at the end of the year</b>	<b>14,323</b>	<b>18,85,765</b>

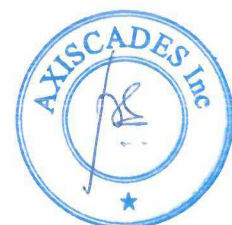
Credit risk on cash and cash equivalents is limited as the Company generally invest in deposits with banks with high credit ratings as signed by international and domestic credit rating agencies.

**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 14,323 as at March 31, 2023 and USD 18,85,765 as at March 31, 2022. 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, 2023**

(All amounts in USD, unless otherwise stated)

**35 Contingent Liabilities**

There are no contingent liabilities as at March 31, 2023 and March 31, 2022.

**36 Capital and other commitments**

There are no capital and other commitments as at March 31, 2023 and March 31, 2022.

**37 Other Statutory Information**

(i) The Company does not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property.

(ii) The Company does not have any transactions with companies struck off.

(iii) The Company have not traded or invested in Crypto currency or Virtual Currency during the financial year.

(iv) The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.

(v) The Company have not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:

a. directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries)

b. provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries

(vi) The Company have not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:

a. directly or indirectly lend or invest in other persons or entities identified in any

b. provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries

**38 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 Pradip Agarwal

Partner

Membership Number : 065537

Date: May 22, 2023

Place: Bengaluru



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



**Sharadhi Chandra Babu Pampapathy**

Director

DIN : 02809502

Date: May 22, 2023

Place: Bengaluru



**Arun Krishnamurthi**

Director

DIN : 09408190

Date: May 22, 2023

Place: Bengaluru

