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ANNUAL REPORT 2011-2012
AXIS-IT&T LIMITED



axis-IT&T
We Engineer Your Thoughts



Employee get together in Chennai



Asix Inc. Team at Employee get together in US

CONTENTS

NOTICE	3
DIRECTORS' REPORT	5
DIRECTORS' RESPONSIBILITY STATEMENT	10
STATEMENT OF INTEREST IN SUBSIDIARIES	11
REPORT ON CORPORATE GOVERNANCE	13
MANAGEMENT, DISCUSSION AND ANALYSIS OF FINANCIALS	24
RISK MANAGEMENT	25
AUDITOR'S CERTIFICATE ON CORPORATE GOVERNANCE	28
AUDITOR'S REPORT	29
BALANCE SHEET	32
PROFIT & LOSS ACCOUNT	33
CASH FLOW STATEMENT	34
SCHEDULES	35
CONSOLIDATED FINANCIAL STATEMENT	53
PROXY FORM	
ATTENDANCE SLIP	

BOARD OF DIRECTORS

MR. S. RAVINARAYANAN	CHAIRMAN & CEO
MR. ROHITASAVA CHAND	DIRECTOR
MR. KEDAR NATH CHOUDHURY	DIRECTOR
MR. PRADEEP DADLANI	DIRECTOR
MR. KAILASH RUSTAGI	DIRECTOR
MR. P. HEMANTH POLAVARAM	DIRECTOR
MRS. SHWETA AGRAWAL	Company Secretary & Compliance Officer

REGISTERED OFFICE

Axis-IT&T Limited
A-264, Second Floor,
Defence Colony,
New Delhi-24

OFFICE FOR CORRESPONDENCE

D-30, Sector-3,
Noida-201301

BANKERS

Yes Bank Ltd.
Ground Floor,
A-356, Sector 19,
Noida-201301

Royal Bank of Scotland N.V.
Hansalaya Building
15, Barakhamba Road
Connaught Place,
New Delhi-110001

AUDITORS

Walker Chandiok & Co.
16/1, Cambridge Road
Ulsoor
Bengaluru-560008

NOTICE

NOTICE is hereby given that the Twenty Second Annual General Meeting of the members of AXIS-IT&T Limited will be held at Lakshmipat Singhania Auditorium, PHD Chambers of Commerce & Industry, PHD House, Ground Floor, 4/2, Sri Fort Road, New Delhi – 110016 on Thursday 20th day of September, 2012 at 11.30 a.m. to transact the following businesses:

ORDINARY BUSINESS

1. To receive, consider and adopt the Profit and Loss Account for the year ended 31st March, 2012 and the Audited Balance Sheet as at that date along with the notes and annexures thereto and the report of the Board of Directors and Auditors thereon.
2. To appoint a Director in place of Mr. Kedar Nath Choudhury, who retires by rotation and, being eligible offers himself for re-appointment.
3. To appoint a Director in place of Mr. Pradeep Dadlani, who retires by rotation and, being eligible offers himself for re-appointment.
4. **To consider, and if thought fit, to pass with or without modification(s) the following resolution as an Ordinary Resolution:**

“RESOLVED THAT, the retiring auditors M/s Walker Chandiook & Co., Chartered Accountants (Firm Registration No. 001076N), be and are hereby appointed as the Auditors of the Company to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting of the Company at a remuneration and reimbursement of out of pocket expenses as may be approved by the Board of Directors of the Company.”

By Order of the Board of Directors
For AXIS-IT&T Limited

-sd-

Place: Noida
Date: 28th May 2012

Shweta Agrawal
Company Secretary

NOTES:

1. A Member entitled to attend and vote is entitled to appoint a proxy to attend the Meeting. A proxy need not be a Member of the Company. Proxies in order to be effective must be received by the Company not less than 48 hours before the Meeting. Under the Companies Act, 1956, voting is by show of hands unless a poll is demanded by a member or members present, or by proxy holding at least one-tenth of the total shares entitled to vote on the resolution or by those holding paid up capital of at least Rs. 50,000. A proxy may not vote, except in a poll.
2. The proxy form duly complete and signed should be deposited at the registered office of the Company not later than 48 hours before the commencement of the meeting. The address of the registered office is A-264, Second Floor, Defence Colony, New Delhi – 110024.
3. The register of Members and Share transfer shall remain closed from 25th August 2012 till 20th September 2012 (both days inclusive).
4. For the convenience of the members, an attendance slip is annexed to the proxy form. Members are requested to affix their signatures at the space provided and fill the particulars and hand over the attendance slip at the place of the Meeting.

ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-APPOINTMENT AT THE ANNUAL GENERAL MEETING

Mr. Kedar Nath Choudhury is a qualified Chartered Accountant and Cost & Works Accountant with over 18 years of experience in the areas of Banking, Financial Planning, Budgeting, forecasting, Compliance, ERP implementation, M&A, etc. and is presently serving on the Board of Cades Digitech Pvt. Ltd., Tayana Digital Pvt. Ltd. and Raaga Axis Aviacom Pvt. Limited.

Mr. Pradeep Dadlani has a B.E. (Mechanical) & MBA (FT) qualifications. He has over 28 years of Consultancy and Corporate experience in varied sectors & functional areas such as IT, Media, Telecom, Environment, Industry, Market Research, Business Development etc. and is presently serving on the Board of Syscom Projects Consultants Pvt. Ltd., Cades Digitech Pvt. Ltd. and Axis Aerospace Technologies Limited.

Attendance record of the Directors seeking re-election (1.4.2011 to 31.3.2012)**At the Board Meeting**

Name of the Director	No. of Board Meeting Held	No. of Meetings attended in person	Attendance at the last AGM
Mr. Kedar Nath Choudhury	10	10	Present
Mr. Pradeep Dadlani	10	10	Present

At the Audit Committee Meeting

Name of the Director	No. of Held	No. of Meetings attended in person
Mr. Kedar Nath Choudhury	6	6
Mr. Pradeep Dadlani	6	6

By Order of the Board of Directors

For AXIS-IT&T Limited

-Sd-

Shweta Agrawal

Company Secretary

Place: Noida

Date : 28th May 2012

DIRECTORS' REPORT

To The Members,

Your Directors are pleased to present their report on the business and operations of the Company for the financial year ended 31st March 2012

1. Financial Results

Rs. Lacs

Year ended March 31	Axis-IT&T Ltd.		Consolidated for the Group	
	2012	2011	2012	2011
Total income	4,822.43	3,750.19	23,046.11	16,500.00
Total expenditure (before interest & depreciation)	3,750.70	2,855.36	20,595.90	14,802.79
Profit / (Loss) before interest, depreciation, amortization and extra ordinary items	1,071.74	894.83	2,450.21	1,697.21
Interest & other finance charges	183.93	166.41	324.77	337.46
Depreciation & amortization	127.10	105.76	591.64	374.50
Profit/ (Loss) before Tax and Extraordinary Items	760.71	622.66	1,533.80	985.25
Profit/ (Loss) before Tax	760.71	622.66	1,533.80	985.25
Provision for Tax – Current & Deferred	2.12	(0.01)	311.81	86.75
Profit / (Loss) after Tax	758.59	622.67	1,221.99	898.51
Minority Interests	--	--	15.86	107.23
Profit/ (Loss) Brought Forward after adjusting amount transferred on Amalgamation	(1,414.04)	(2,036.76)	(434.11)	(1,225.39)
Balance Available for appropriation	(655.45)	(1,414.04)	772.02	(434.11)

Your company has shown, on a consolidated basis, growth of **39.67%** in revenue and **55.68%** in profit before taxes during the year under review as compared to the corresponding previous year.

2. Dividend

No dividends have been declared for the year as the Company has carried forward loss of Rs. 655.45 lacs on a standalone basis.

3. Transfer to Reserves

No Reserve has been created during the year.

4. Business Activities

During the year the Company remained focused on the Engineering Services Outsourcing (ESO) market.

A. Engineering Services Outsourcing

In Engineering Services, the company continued to focus on the Mechanical Engineering domain and saw excellent growth in Revenues & profitability. The manpower strength of the Company, on consolidated basis, grew from 1070 employees to 1229 employees during the year.

The Engineering Services offered by the company are:

1. Design Services (CAD)

- Concept Design / Industrial Design
- 2D Drafting & Detailing
- GD & T (Geometric Dimensioning & Tolerancing) 3D Modeling
- Reverse Engineering

2. Computer Aided Analysis (CAA)

- Finite Element Modeling
- Finite Element Analysis
- Kinematics
- Nonlinear Analysis
- Dynamic Analysis
- Fatigue Analysis
- Thermal Analysis
- Modal Analysis
- Computational Fluid Dynamics

3. Manufacturing Engineering

- Generation of Manufacturing Drawings
- CNC & CMM Programming
- Tooling Design

4. Technical Publications (Tech Pub)

5. Value Analysis/Value Engineering (VAVE)

Your Company continues to grow its service offerings to the global leader in off highway & Construction equipment. The Company has added many new customers during the year and the future prospects of business from these and other existing customers look to be promising, because of the growth in both breadth as well as depth of services offered to them.

During the year, your Company's subsidiary, Cades Digitech Pvt. Ltd., set up a dedicated Offshore Development Center (ODC) for one of the world's largest aircraft manufacturers' based out of Europe. Cades has also been able to enhance its existing engagement with a Germany based global leader for aircraft structures and aircraft manufacturing systems.

The Subsidiary of your Company, Cades Digitech Pvt. Ltd., has once again achieved the status of Preferred supplier of engineering services to the world's leading Aerospace OEM. The Company got this status after competing with many players globally including few big corporates in India.

Throughout the year, the engineering team has successfully delivered high quality solutions to its clients, through quick response times/shorter lead times, improved quality and better value-optimization.

Your Company offers diversified services in finite element analysis, design and detailing using various FEA & CAD/CAM software. We have been successful in delivering tangible benefits to the customer in the form of value engineering – weight reduction and design simplification. Our engineers have demonstrated their capability to translate ideas into products.

The Company has been approached by customers in China to offer onshore design support and the Company is exploring various options, including the setting up of 100% subsidiary to explore and pursue these business opportunities.

During the year, the Board of Directors has approved the Scheme of Arrangement for the merger of its subsidiary Cades Digitech Pvt. Ltd. into Axis Aerospace & Technology Limited (AAT), subject to necessary approvals and the subsequent merger of itself with AAT subject to necessary approvals.

B. Subsidiaries

AXIS Inc.:

AXIS-IT&T Limited has wholly owned subsidiary incorporated in the US, namely AXIS Inc.

AXIS Inc. has a wholly owned subsidiary AXIS EU Ltd. in the UK.

Cades Digitech Pvt. Ltd.:

M/s Cades Digitech Pvt. Ltd. is engaged in rendering Engineering Design Services in the Aerospace & Automotive domains. The Company is based in Bangalore. They have a wholly owned subsidiary in Canada named as Cades Technology Canada Inc.

In terms of general approval granted by the Central Government under Section 212(8) of the Companies Act, 1956, copies of Balance Sheet, Profit and Loss Account, Report of the Board of Directors and the Report of the Auditors of the subsidiary companies have not been attached with the Balance Sheet of the Company. The Company will make available these documents and related detailed information upon request by any shareholder of the Company or subsidiary interested in obtaining the same.

However, pursuant to Accounting Standard AS-21 issued by the Institute of Chartered Accountants of India, Consolidated Financial Statements presented by the Company include the financial statements of its Subsidiaries. The Financial Statements of the subsidiary companies are also available for inspection during the business hours by the shareholders at the Registered Office of the Company and also that of its respective subsidiaries. The Financial Statements of each subsidiary shall also be available on Company's website www.axisitt.com.

The following information in aggregate for each subsidiary has been disclosed in the consolidated balance sheet (a) capital (b) reserves (c) total assets (d) total liabilities (e) details of investment (except in case of investment in subsidiaries) (f) turnover (g) profit before taxation (h) provision for taxation (i) profit after taxation (j) proposed dividend.

A statement of the holding company's interest in the subsidiary companies is attached as 'Annexure A' and form part of this report.

5. Major events Subsequent to the Balance Sheet Date

There were no other major events subsequent to the balance sheet date.

6. Group

Pursuant to intimation from the Promoters, the names of the Promoters and entities comprising group as defined under the Monopolies and Restrictive Trade Practices (MRTP) Act, 1969 are furnished in the Annual Report as Annexure B for the purpose of the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 1997.

7. Corporate Governance

The company adheres to the SEBI prescribed corporate governance norms.

The Corporate Governance Report is attached as an Annexure to this report.

The shares of the Company are listed on the following exchanges:

1. National Stock Exchange of India Limited (NSE)

Exchange Plaza

Bandra Kurla Complex, Bandra (E), Mumbai

2. Bombay Stock Exchange Limited (BSE)

Phiroze Jeejeebhoy Towers,

Dalal Street, Fort, Mumbai.

7. Responsibility Statement of the Board of Directors

The Directors' responsibility statement setting out the compliance with the accounting and financial reporting requirements specified under Section 217(2AA) of the Companies (Amendment) Act, 2000 in respect of the financial statements is annexed to this report.

8. Directors

During the year under review there is no change in the Directors of the company.

9. Auditors

The auditors M/s Walker Chandio & Co. retire from office at the ensuing Annual General Meeting and being eligible offer themselves for re-appointment.

10. Conservation of Energy, Research & Development Technology Absorption, Foreign Exchange earnings and Outgo

The particulars prescribed under Section (1) (e) of Section 217 of the Companies Act, 1956 read with the Companies (Disclosure of particulars in the report of Board of Directors) Rules, 1988, are as follows:

a. Conservation of Energy

The operations of your Company involve low energy consumption and are not energy intensive. However, adequate measures have been taken to minimize the consumption through improved operational methods and new technologies. The company is using CFL bulbs to conserve its electricity and energy consumption.

b. Research & Development

Since the requirements of the technology business are changing constantly, your Company has sought to focus on critical technologies and processes, which are likely to create value in the foreseeable future.

c. Foreign Exchange Earnings and Outgoings:

Activities relating to Exports, initiatives taken to increase exports, development of new export markets for product and services, and export plans:

Axis-IT&T Ltd. is focused primarily on exports of its Engineering Design Services. The company has delivery centres in Noida, Chennai & Hyderabad, of which Noida & Hyderabad are registered as an STP (Software Technology Park) Unit.

The Company serves customers in the US, UK, & Europe.

Axis-IT&T Ltd. markets its services in the US & UK through Axis Inc. & Axis EU Ltd. respectively.

The marketing team in the US & UK are supported by a Business Development Team.

The Business Development team does a search of companies that could potentially require the services being offered by Axis-IT&T and generates leads for the marketing teams based in the US & UK to follow up on.

The Business Development & Marketing efforts have resulted in the acquisition of new clients by the company and the company has a healthy order book.

Axis-IT&T is also supplying engineering services to some Indian customers which falls under the category of Domestic Sales & Deemed Exports.

Foreign exchange earned and used for the year ending:

S. No.	Particulars	31.03.2012 (Rs Lacs)	31.03.2011 (Rs Lacs)
1.	Foreign Exchange Earnings (accrual basis)	2,399.65	1,896.71
2.	Foreign Exchange Outgo (Including Capital Goods & Spares)	Nil	266.47
3.	Deemed Exports	2,175.27	1,720.26

11. Particulars of Employees :

There were no employees covered under the provisions of Section 217(2A) of the Companies Act, 1956, read with the Company's Particulars of Employees' Rules 1975 as amended from time to time.

Acknowledgement

Your Directors wish to place on record their appreciation of the contribution made by employees at all levels. The Directors also thank your company's Clients, Vendors, Investors and Bankers, along with various government agencies, the Software Technology Park, Noida & Hyderabad and other industry forums and agencies like NASSCOM, for the support received during the year and look forward to their continued support in the future.

For and on behalf of the Directors

-sd-

Pradeep Dadlani
Director

-sd-

Kedar Nath Choudhury
Director

Place: NOIDA

Date: 28th May 2012

ANNEXURE TO THE DIRECTORS REPORT

Pursuant to the requirement under section 217(2AA) of the Companies Act, 1956, with respect to Directors' Responsibility Statement, it is hereby confirmed:

- 1) That in the preparation of the Accounts for the financial year ended 31st March, 2012 the applicable accounting standards have been followed along with proper explanation relating to material departures;
- 2) They have selected such accounting policies and applied them consistently and made judgments and estimates that were reasonable and prudent so as to give true and fair view of the state of affairs of the Company at the end of the Financial Year and of the Profit or Loss of the Company for the year under review;
- 3) They have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- 4) They have prepared the Accounts for the financial year ended 31st March, 2012 on 'going concern' basis.

For and on behalf of the Directors

-sd-

Pradeep Dadlani

Director

-sd-

Kedar Nath Choudhury

Director

Place: NOIDA

Date: 28th May 2012

ANNEXURE TO DIRECTORS' REPORT OF AXIS-IT&T LIMITED

A. STATEMENT PURSUANT TO SECTION 212 OF THE COMPANIES , ACT, 1956

Name of the Subsidiary Co.	Financial Yr. ending of the subsidiary	Number of share held	Extent of holding	For financial year of the subsidiary		For previous financial year since it became a subsidiary	
				Profit/(Loss) so far as it concerns themselves of Axis-IT&T Ltd. And not dealt with in the books of accounts of AXIS-IT&T Ltd. (except dealt with in F)	Profit/(Loss) so far as it concerns the members of AXIS-IT&T Ltd. And not dealt with in the books of accounts of AXIS-IT&T Ltd.	Profit/(Loss) so far as it concerns the members of AXIS-IT&T Ltd. And not dealt with in the books of accounts of AXIS-IT&T Ltd. (except dealt with in F)	Profit/(Loss) so far as it concerns the members of AXIS-IT&T Ltd. And not dealt with in the books of accounts of AXIS-IT&T Ltd.
A	B	C	D	E	F	G	H
Overseas							
AXIS Inc.	31.03.2012	19725	100	415.74 Lacs	Nil	75.06 Lacs	Nil
AXIS EU Ltd. (All shares held by AXIS Inc.)	31.03.2012	575476	100	54.42 Lacs	Nil	14.22 Lacs	Nil
Cades Digitech Pvt. Ltd.	31.03.2012	9067000	51.10	10.42 Lacs	Nil	96.99 Lacs	Nil
Cades Technology Canada Inc. (All shares are held by Cades Digitech Pvt. Ltd.)	31.03.2012	100	51.10	6.15 Lacs	Nil	2.48 lacs	Nil

For and on behalf of the Directors

-sd-
Pradeep Dadlani
Director

-sd-
Kedar Nath Choudhury
Director

Place: NOIDA

Date: 28th May 2012

Annexure-B

Persons consisting "Group" for the purpose of inter-se transfer of shares of the company under the regulation 3(l) (e) (i) fo the Securities & Exchange Board of India (Substantial Acquisition of shares and Takeovers) Regulations, 1957

S.No.	Name of the Company
1.	Jupiter Capital Pvt. Ltd.
2.	Axis Aerospace & Technologies Ltd.
3.	Tayana Software Solutions Pvt. Ltd.
4.	Tayana Digital Pvt. Ltd.
5.	Jupiter Aviation Services Pvt. Ltd.
6.	Indian Aero Ventures Pvt. Ltd.
7.	Cades Digitech Pvt. Ltd.
8.	Indian Aero Infrastructure Pvt. Ltd.
9.	Indian Aviation Training Institute Pvt. Ltd.

Report on Corporate Governance

Corporate Governance is about commitment to values and ethics in business conduct which stems from the culture, policies, practices, voluntary adherence to ethical standards and mindset of an organization. The company's primary objective is to create and adhere to a corporate culture of fairness and transparency in actions of the management which are the key to enhancing shareholders value and discharge of social responsibility.

In accordance with Clause 49 of the Listing Agreement with the Stock Exchanges in India, the report containing the details of governance systems and processes at Axis-IT&T Limited is as under:

A. Board Composition:

As on 31 March 2012, the Board of Directors of the Company consisted of 6 members including one Executive Director. The members are drawn from different areas of specialization and have expertise in Law, Finance, Engineering Design & Development and General Management & Strategic Planning etc. The members of the Boards have been very active in giving advice and direction to the Company.

As at the close of the year under review, the Board of Directors of the Company consisted of:

Name of the Director	Category	Membership of Committees of Board of Axis-IT&T Ltd.	No. of other Directorship*/ Committee Memberships
Mr. S. Ravinarayanan	Chairman & CEO	Nil	1/0
Mr. Rohitasava Chand	Director (Non-Executive)	4	6/7
Mr. Kedar Nath Choudhury	Director (Non-Executive)	5	1/2
Mr. Pradeep Dadlani	Independent	5	2/2
Mr. Kailash M. Rustagi	Independent	5	1/0
Mr. P. Hemanth Polavaram	Independent	5	Nil

Details of the other directorship and Committee membership are given in **Annexure-I** to this report.

None of the Directors are related inter-se.

* Includes directorships held in public limited companies and subsidiaries of public limited companies and excludes directorships held in private limited companies and overseas companies.

None of directors of the Company are members of more than 10 committees across all the companies in which they are the directors and chairman of not more than 5 such committees.

The non-executive directors were entitled to a sitting fee of Rs. 10,000/- till the Board Meeting dated 11.11.2011 wherein it was decided to increase the sitting fee to Rs. 15,000/- for every Board Meeting attended by them. No remuneration is being paid to any of the non- executive directors apart from the sitting fees, which have been decided at a duly convened Board Meeting.

B. Board Meeting:

Normally, Board Meetings are scheduled well in advance. The CEO and the Company Secretary draft the agenda for each meeting and circulate the agenda in advance to the board members. Every board member is free to suggest inclusion of items in the agenda. Normally the Board meets once in a quarter to approve the unaudited/ audited quarterly results and other items on the agenda. Additional meetings are held if necessary.

During the financial year 2011-2012, ten Board meetings were held at the following dates:

Sl. No.	Board Meeting Dates
1.	25 May 2011
2.	8 June 2011
3.	1 August 2011
4.	23 August 2011
5.	30 August 2011
6.	6 September 2011
7.	12 September 2011
8.	11 November 2011
9.	1 February 2012
10.	30 March 2012

C. Code of Conduct

The Board has laid down a code of conduct for all board members and senior management of the company. The code of conduct is available on the website of the company www.axisitt.com. All board members and senior management personnel have affirmed compliance with the Code of Conduct. A declaration signed by the Chief Executive Officer (CEO) to this effect is enclosed at the end of this report.

D. Committees of the Board of Directors

For effective and efficient functioning of the company, the Board of Directors has constituted the following committees:

- I. Share Transfer Committee
- II. Audit Committee
- III. Investor Grievance Committee
- IV. Remuneration Committee
- V. Finance Review Committee

I. Share Transfer Committee

The Company has appointed Karvy Computershare (P) Ltd., a SEBI recognized transfer agent (earlier a division of Karvy Consultants Limited) as the share transfer agents of the Company. Although the shares of the Company are compulsorily traded in the demat form, a Share Transfer Committee has been constituted for giving effect to the few transfer requests received for share scrips which are in physical form. The Share Transfer Committee also processes requests for dematerialization of shares held in physical form as well as the rematerialisation into physical shares. As on 31 March 2012 the Share Transfer Committee consisted of:

1. Mr. K.M. Rustagi
2. Mr. Rohitasava Chand

3. Mr. Pradeep Dadlani
4. Mr. Kedarnath Choudhury
5. Mr. P Hemanth Polavaram
6. Ms. Shweta Agrawal Compliance officer/Secretary

During the year under review the meetings were generally chaired by Mr. K.M. Rustagi, Independent Director. The Committee meetings were held on 25 May 2011, 1 August 2011, 11 November 2011, 1 February 2012 and 30 March 2012.

The Company ensures that the shares are transferred within 15 days of their being lodged for transfer. All the complaints received during the year were resolved to the satisfaction of the shareholders.

II. Audit Committee

The Company has constituted an Audit Committee consisting of 4 non- executive directors. The Committee is generally headed by Mr. Kailash M. Rustagi who is a fellow member of the Institute of Chartered Accountants of India and an Associate Member of the Institute of Company Secretaries of India.

The Primary Functions of this committee includes:

- a) Reviewing, with the Management, performance of statutory and internal auditors, adequacy of the internal control systems.
- b) Review of quarterly/annual results of the Company before recommending the same to the Board of Directors
- c) Implementation of various audit recommendations.
- d) Review of the Management discussion & analysis of financial conditions and results of operation.
- e) Review of the statement of significant related party transactions.
- f) Recommending to the Board the appointment, re-appointment and, if required, the replacement or removal of the statutory auditor and the fixation of audit fees.

The Committee consisted of the following members as on 31 March 2012:

- Mr. Kailash M. Rustagi (Chairman)
- Mr. Pradeep Dadlani
- Mr. Kedar Nath Choudhury
- Mr. P Hemanth Polavaram
- Ms. Shweta Agrawal Compliance officer/Secretary

The Committee met on 25 May 2011 (two meetings), 1 August 2011, 11 November 2011, 1 February 2012 and 30 March 2012

III. Investor Grievance Committee

The Board has also constituted an Investor Grievance Committee to address the various grievances received from the investors. The Committee consisted of the following members as on 31 March 2012

1. Mr. K.M. Rustagi
2. Mr. Rohitasava Chand
3. Mr. Pradeep Dadlani
4. Mr. Kedar Nath Choudhury
5. Mr. P Hemanth Polavaram
6. Ms. Shweta Agrawal Compliance officer/Secretary

- (i) One special resolution passed through postal ballot regarding extending corporate guarantees to the Banks for the financial facilities given to our parent company , the result of which was declared on 2nd April 2012.

Result of Voting:

PARTICULARS	No. Of Ballot Forms	No. of Equity Shares (Votes)	% of Votes Received
Number of Postal Ballot Forms received	58	12269259	100
Assented to the Resolution	51	12269209	99.99
Dissented to the Resolution	1	50	00.01
Number of Invalid Ballots received	6	No. of Shares not mentioned in the Form	00.00

The company had appointed Mr. Anant Khamankar of M/s Anant B Khamankar & Co., Company Secretaries, as the Scrutinizer for conducting the postal ballot process in a fair and transparent manner.

E. The Details of Attendance at the General Meetings, Board Meeting and Various Committees Meeting during the period 1 April 2011 to 31 March 2012

Name of the Director	Board	Share Transfer Committee	Audit Committee	Investor Grievances Committee	Finance Review Committee	Remuneration Committee	Attendance at AGM
	[10]	[5]	[6]	[5]	[0]	[0]	
Mr. S. Ravinarayanan	6	NA	NA	NA	N.A.	N.A.	Absent
Mr. Rohitasava Chand	8	4	NA	4	N.A.	N.A.	Present
Mr. K.M. Rustagi	10	5	6	5	N.A.	N.A.	Present
Mr. Pradeep Dadlani	10	5	6	5	N.A.	N.A.	Present
Mr. Kedar Nath Choudhury	10	5	6	5	N.A.	N.A.	Present
Mr. P. Hemanth Polavaram	5	2	2	2	N.A.	N.A.	Absent

F. Remuneration of Directors

During the year Mr. S. Ravinarayanan,, Chairman & CEO was paid the following remuneration:

- Basic remuneration of Rs. 1,50,000 (Rupees One Lakh Fifty Thousand only) per month.
- Company's contribution of 12% of salary to Provident Fund.

- **Perquisites:**

Gratuity at the rate of half a month's salary for each completed year of service to be calculated as per the norms prescribed by the Payment of Gratuity Act, 1972 and the Rules framed there under.

The above remuneration was in compliance with the provisions of Schedule XIII of the Companies Act, 1956.

No sitting fees were paid for attending the meeting of Board of Directors or committee thereof.

The non-executive directors were entitled to a sitting fee of Rs. 10,000/- till the Board Meeting dated 11.11.2011 wherein it was decided to increase the sitting fee to Rs. 15,000/- for every Board Meeting attended by them. None of the non-executive director holds shares in the company in individual capacity. The company has not issued any stock options during the year under consideration and none of the directors hold any stock options of the company as at 31st March 2012.

G. Subsidiary Companies

The Company has one Indian subsidiary Cades Digitech Private Limited, a company based at Bangalore which is engaged in rendering Engineering Design Services in the domain of Aerospace & Automotive. It has 51.10 % stake in its subsidiary.

The company has 3 foreign subsidiaries which are as under:

Axis Inc. is a wholly owned subsidiary of Axis-IT& T Ltd.

Axis Eu Ltd is a wholly owned subsidiary of Axis Inc.

Cades Technology Canada Inc., is a wholly owned subsidiary of Cades Digitech Private Limited.

H. Disclosures

Material Contracts/ Related Party Transaction

Transactions with related parties are disclosed in Schedule 25 to the financial statement in the Annual Report.

I. Risk Management

The Company has established comprehensive risk assessment and minimization procedures, which are reviewed by the Board from time to time.

J. Compliances

During the last three years, no penalties or strictures have been imposed on the Company by the Stock Exchange or SEBI or any other statutory authorities, on matters related to capital markets. The Company has complied with applicable rules and regulations prescribed by Stock Exchanges, SEBI or any other statutory authority relating to the capital markets. All Returns/ Reports were filed with in stipulated time with Stock Exchanges/ other authorities.

K. Whistle Blower Policy

The Management framed a policy that provided a formal mechanism for all employees of the Company to approach the Management of the Company (Audit Committee in case where the concern involves the Senior Management) and make protective disclosures to the Management about unethical behavior, actual or suspected fraud or violation of the Company's Code of Conduct or ethics policy. The Whistle Blower Policy is an extension of the Company Code of Conduct, which requires every employee to promptly report to the Management any actual or possible violation of the Code or an event he is aware of, that could affect the business or reputation of the Company. The disclosures reported are addressed in the manner and within the time frames prescribed in the Policy. The Company has not denied access to the Top Management to any employee of the Company. With

these measures, the company would be in compliance with the proposed Corporate Governance Clause of the Listing Agreements with Stock Exchanges in India and help to make the company a better and more ethical entity to work for and to work with.

L. Adoption of the Mandatory & Non Mandatory Requirements

The company is continuously complying with all the mandatory requirements of clause 49 of the Listing Agreement with the Stock Exchanges. The management of the company endeavors to satisfy each of the non-mandatory requirements detailed in the aforesaid listing agreement.

M. Means of Communication

The Corporate Governance Code has been applicable to the Company since December, 2000, when the shares of the Company were listed on various Stock Exchanges. Accordingly, the Company has been publishing its Quarterly un-audited results for each quarter in the newspapers (Economic Times and Navbharat Times) as per the requirements of the listing agreement. The financial and other informations are also available at company's website: www.axisitt.com.

N. General Shareholder Information

a) AGM

Date : 20th September 2012

Time : 11.30 a.m.

Place : Lakshmipat Singhania Auditorium,
PHD Chambers of Commerce & Industry,
PHD House, Ground Floor, 4/2, Sri Fort Road,
New Delhi – 110016

b) Financial Year 2011-2012

c) Date of Book Closure 25th August 2012 till 20th September 2012 (both days inclusive.)

d) Dividend Payment Date N.A.

e) Listing on Stock Exchanges

Name and Address

Bombay Stock Exchange Limited (BSE)

P.J. Towers, Dalal Street,

Fort, Mumbai – 400001

National Stock Exchange of India Ltd. (NSE)

Exchange Plaza, Bandra – Kurla,

Complex, Bandra (East),

Mumbai, 400051

f) Stock Code

Bombay Stock Exchange Limited (BSE)

532395

National Stock Exchange of India Ltd. (NSE)

AXIS-IT&T

g) Market Price Data

Highest and lowest price during each month in the financial year on the National Stock Exchange of India Limited and Bombay Stock Exchange Limited:

Months	National Stock Exchange (NSE)		Stock Exchange, Mumbai (BSE)	
	High	Low	High	Low
April, 2011	88.00	66.25	88.75	70.00
May, 2011	81.00	62.00	80.40	63.50
June, 2011	95.80	64.30	95.80	62.65
July, 2011	129.00	77.00	122.45	83.20
August, 2011	117.75	66.90	117.95	68.75
September, 2011	122.10	77.50	122.90	77.50
October, 2011	107.55	86.95	108.80	87.05
November, 2011	103.50	71.00	103.75	70.50
December, 2011	90.35	62.00	90.70	60.10
January, 2012	104.80	63.50	105.00	63.00
February, 2012	102.20	79.05	101.00	81.25
March, 2012	100.50	77.10	100.00	77.60

h) International Securities Identification Number : INE555B01013

i) Registrar and Transfer Agent (RTA)

Name & Address : M/s Karvy Computershare Private Limited,
46, Avenue 4, Street 1, Banjara Hills, Hyderabad 500034

Telephone : 040-23312454
040-23320251/23049

Fax : 040-23311968

j) Share Transfer System

With a view to expedite the process of share transfer, the Board of Directors of the Company had constituted a 'Share Transfer Committee' which considers and approves the shares received for transfer, transmission, re-materialization and dematerialization etc. The shares for transfers received in physical form are transferred expeditiously, provided the documents are complete and the share transfer is not under any dispute. The share certificates duly endorsed are returned immediately to the shareholders by RTA. Confirmation in respect to the requests for dematerialization of shares is sent to the respective depositories i.e. NSDL and CDSL, expeditiously.

Pursuant to the Clause 47 – C of the Listing Agreement with the Stock Exchange, Certificates on quarterly basis confirming due compliance of share transfer formalities by the Company, Certificate for timely dematerialization of shares as per SEBI (Depositories and Participants) Regulations, 1996 and Secretarial Audit Report for reconciliation of the share capital of the Company are obtained from a practicing Company Secretary and has been submitted to Stock Exchange within stipulated time.

k) Distribution of shareholding

i. Distribution of shareholding as on 31 March 2012 :

No. of shares	Holding	% to Capital	No. of accounts	% to total accounts
1-5000	8,35,736	4.18	5023	91.59
5001-10000	2,72,017	1.36	174	3.17
10001-20000	3,26,484	1.63	112	2.04
20001-30000	2,37,850	1.91	46	0.84
30001-40000	1,58,409	0.79	22	0.40
40001-50000	2,28,188	1.14	24	0.44
50001-100000	6,71,222	3.36	47	0.86
100001 and above	1,72,30,575	86.32	36	0.66
Grand Total	1,99,60,481	100.00	5484	100.00

ii. Categories of Shareholders as on 31 March 2012

Category	No. of shares	Percentage
Promoters Group – Indian	12,142,100	60.83%
Indian Public	49,40,617	24.76%
Bodies Corporate	27,73,399	13.89%
NRIs/ OCBs/ Foreign Nationals	82,353	0.41%
Others	22,012	0.11%
Total	19,960,481	100.00%

l) Dematerialization of shares and liquidity

The shares of the company are partly in electronic form and partly in physical form. The shares in electronic form are available for trading in depository system of both National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL). As on 31 March 2012, the position of Dematerialization is as follow:

	No. of Shares	% of Total Issue Capital
Held in Dematerialized form in CDSL	32,36,503	16.21%
Held in Dematerialized form in NSDL	1,64,89,127	82.61%
Held in Physical form	2,34,851	1.18%
Total	1,99,60,481	100.00%

m) Outstanding GDRs/ADRs/Warrants or any Convertible Instruments, conversion date and likely impact on equity:
As on 31 March 2012, the Company did not have any outstanding GDRs/ADRs/Warrants or any convertible instruments.

n) Plant Locations

In view of the nature of the Company's business Engineering Design Services, the Company operates from various offices in India and abroad but does not have any manufacturing plant.

o) Address for correspondence

Registered Office

Axis-IT&T Limited
A-264, Second Floor
Defence Colony
New Delhi - 110024

Address for correspondence

Axis-IT&T Limited
D-30, Sector – 3
NOIDA, Uttar Pradesh

For and on behalf of the Directors

-sd-

Pradeep Dadlani
Director

-sd-

Kedar Nath Choudhury
Director

Place: NOIDA

Date: 28th May 2012

Annexure-DETAILS OF OTHER DIRECTORSHIPS HELD

Name of the Director	No. of other Directorship*/ Committee Memberships	Directorship	Committee Membership
Mr. S. Ravinarayanan	1/0	Cades Digitech Private Limited	–
Mr. Rohitasava Chand	6/7	Cyber Media Limited Cades Digitech Private Limited Khandwala Securities Limited Axis Cogent Global Limited British Motor Car Co. Limited Saboo Coatings Limited	Audit Committee Remuneration Committee Audit Committee Remuneration Committee Compenstaion Committee Shareholders Committee Remuneration Committee
Mr. Kedar Nath Choudhury	1/2	Cades Digitech Private Limited	Audit Committee Remuneration Committee
Mr. Pradeep Dadlani	2/2	Cades Digitech Private Limited Axis Aerospace & Technologies Ltd.	Audit Committee Remuneration Committee
Mr. Kailash M. Rustagi	1/0	Elite Stock Management Limited.	–
Mr. P. Hemanth Polavaram	Nil	–	–

MANAGEMENT DISCUSSION & ANALYSIS OF FINANCIAL CONDITIONS AND RESULTS OF OPERATIONS

Overview

The financial statements have been prepared in compliance with the requirements of the Companies Act, 1956, and Generally Accepted Accounting Principles (GAAP) in India. There are no material departures for prescribed accounting standards in the adoption of the accounting standards. The management of your Company accepts responsibility for the integrity and objectivity of these financial statements, as well as for various estimates and judgments used therein. The estimates and judgments relating to the financial statements have been made on a prudent and reasonable basis, in order that the financial statements reflect in a true and fair manner, the form and substance of transactions, and reasonably present the company's state of affairs and profits for the year.

A. Financial Condition

1. Share Capital

There has been no change in the paid up share capital during the year under consideration.

2. Fixed Assets (WDV)(Rs. Lacs)

Particulars	31 March 2012	31 March 2011
Land	22.64	22.64
Buildings	135.42	138.13
Computer Systems	22.03	42.65
Furniture Fixtures	34.76	32.71
Office Equipment	28.12	29.11
Vehicles	4.12	7.64
Electrical Installations	0.09	0.26
Intangible Assets	217.04	147.42
Goodwill on Amalgamation	–	–

3. Investment

The Company had got 500000 rights shares allotted in Axis Cogent Global Limited against the application money of Rs. 49 lakhs given in the last financial year and Rs. 1 lakh given in current financial year.

4. Cash and cash equivalents

The bank balances in India include both rupee accounts and foreign currency accounts.

5. Loans and advances

The company does not extend loans to employees. However, to meet the short term cash flow needs, the employee may be extended an advance against salary which is adjusted from the salary. However, this is not significant.

B. Results of operations

Adequacy of Internal Controls

AXIS-IT & T Limited has a proper and adequate system of internal controls to ensure that all assets are safe guarded. The Internal control system is supplemented by an extensive program of internal audits reviewed by the management and documented policies, guidelines and procedures. The Audit Committee of the board frequently reviews the internal control systems and from time-to-time the committee suggests changes in methods, policies and procedure on current business trends.

Human Resources Development

Axis-IT & T Limited is committed to the welfare of its people and their families and to improve the quality of their lives.

The company provides continuous learning and personal development opportunities by providing regular training to its employees.

The Company is committed to create a positive and lasting social impact by organizing employee get-togethers and engagement programs & developing successful partnerships built on mutual trust and respect, ultimately raising the standard of business.

RISK MANAGEMENT REPORT

The management cautions readers that the risks outlined below are not exhaustive and are for information purposes only. Investors are requested to exercise their own judgment in assessing various risks associated with the company and to refer to discussions of some of these risks in the company's earlier Annual Report and Securities and Exchange Board of India filings.

In a dynamic industry such as Engineering Design Services, risk is an inherent aspect of business. The impact of the turbulent socio-political and economic events in the past year on businesses bears testimony to this.

A comprehensive and integrated risk management framework forms the basis of all the de-risking efforts of the company. Prudential norms aimed at limiting exposures are an integral part of this framework. Formal reporting and control mechanisms ensure timely information availability and facilitate proactive risk management. These mechanisms are designed to cascade down to the level of line managers so that risk at the transactional level are identified and steps are taken towards mitigation in a decentralized fashion. The Board of Directors is responsible for monitoring risk levels on various parameters and the senior management group ensure implementation of mitigation measures, if required. The audit committee provides the overall direction on the risk management policies.

During the year your Company was exposed to the risks mentioned below:

1. Business portfolio risks
 - Service concentration
 - Client concentration
 - Geographical concentration
 - Technology concentration
2. Financial risks
 - Foreign currency rate fluctuations
 - Liquidity
 - Investments
 - Security of Debt
3. Legal and statutory risks
 - Contractual liabilities
 - Statutory compliance
4. Organization / management risks

- Leadership development
- Human resources management
- Process maturity
- Internal control system
- Disaster prevention & recovery
- Technological obsolescence

The management is constantly endeavoring to reduce the impact of risks enumerated above through the adoption of prudent measures. There is expansion of Aerospace Business for its subsidiary Cades Digitech Pvt. Limited in the direction of mitigating business portfolio risk.

For and on behalf of the Directors

-sd-

Pradeep Dadlani
Director

-sd-

Kedar Nath Choudhury
Director

Place: NOIDA

Date: 28th May 2012

Declaration on the Compliance of the Company's Code of Conduct

To,
The Shareholders,
Axis-IT&T Ltd.
A-264, 2nd Floor, Defence Colony,
New Delhi

The Company has framed a specific Code of Conduct for the Members of the Board of Directors and the Senior Management Personnel of the Company pursuant to Clause 49 of the Listing Agreement with Stock Exchanges to further strengthen Corporate Governance practice in the Company.

All the members of the Board and Senior Management Personnel of the Company have affirmed due observance of the said code of conduct in so far as it is applicable to them and there is no non-compliance thereof during the year ended 31st March 2012.

S.Ravinarayanan
Chairman & CEO
Axis-IT&T Ltd.

Auditors' Certificate on compliance with the conditions of Corporate Governance under Clause 49 of the Listing Agreement

To,

The Members of Axis-IT&T Limited

We have examined the compliance of conditions of Corporate Governance by Axis-IT&T Limited (the Company') for the year ended 31 March 2012 as stipulated in clause 49 of the Listing Agreement of the said Company with the Stock Exchanges.

The Compliance of conditions of Corporate Governance is the responsibility of the management. Our examination has been limited to a review of the procedures and implementations thereof, adopted by the Company for ensuring the compliance with the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the company.

In our opinion and to the best our information and according to the explanations given to us, and the representations made by the Directors and the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in clause 49 of the above mentioned Listing Agreement.

We further state that such compliance is neither an assurance as to the future viability of the company nor the efficiency or effectiveness with which the management has conducted the affairs of the company.

For **Walker, Chandiok & Co.**
Chartered Accountants
Firm Registration no.: 001076N

Noida
28th May 2012

-sd-
Per **Aashish Arjun Singh**
Partner
Membership No. 210122

Auditors' Report**To the Members of AXIS-IT&T Limited**

1. We have audited the attached Balance Sheet of AXIS-IT&T Limited (the 'Company'), as at 31 March 2012, and also the Statement of Profit and Loss and the Cash Flow Statement for the year ended on that date annexed thereto (collectively referred as the 'financial statements'). These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003 (the 'Order') (as amended) issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Companies Act, 1956 ('the Act'), we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
4. Further to our comments in the Annexure referred to above, we report that:
 - a. We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - b. In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
 - c. The financial statements dealt with by this report are in agreement with the books of account;
 - d. On the basis of written representations received from the Directors, as on 31 March 2012 and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2012 from being appointed as a director in terms of clause (g) of sub-section (1) of Section 274 of the Act;
 - e. In our opinion and to the best of our information and according to the explanations given to us, the financial statements dealt with by this report comply with the accounting standards referred to in the Subsection (3C) of Section 211 of the Act and give the information required by the Act, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, in the case of:
 - i) the Balance Sheet, of the state of affairs of the Company as at 31 March 2012;
 - ii) the Statement of Profit and Loss Account, of the profit for the year ended on that date; and
 - iii) the Cash Flow Statement, of the cash flows for the year ended on that date.

For **Walker, Chandiook & Co.**
Chartered Accountants
Firm Registration no.: 001076N

-sd-

Per **Aashish Arjun Singh**

Partner

Membership No. 210122

Noida
28th May 2012

Annexure to the Auditors' Report of even date to the members of Axis-IT&T Limited, on the financial statements for the year ended 31 March 2012.

Based on the audit procedures performed for the purpose of reporting a true and fair view on the financial statements of the Company and taking into consideration the information and explanations given to us and the books of account and other records examined by us in the normal course of audit, we report that:

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) The Company has a regular programme of physical verification of its fixed assets under which fixed assets are verified in a phased manner over a period of three years, which in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.
- (c) In our opinion, a substantial part of fixed assets has not been disposed off during the year.
- (ii) The Company does not have any tangible inventory. Accordingly, the provisions of clause 4(ii) of the Order are not applicable.
- (iii) (a) The Company has not granted any loan, secured or unsecured to companies, firms or other parties covered in the register maintained under Section 301 of the Act. Accordingly, the provisions of clauses 4(iii)(b) to 4(iii)(d) of the Order are not applicable.
- (e) The Company has not taken any loans, secured or unsecured from companies, firms or other parties covered in the register maintained under Section 301 of the Act. Accordingly, the provisions of clauses 4(iii)(f) and 4(iii)(g) of the Order are not applicable.
- (iv) Owing to the nature of its business, the Company does not maintain any physical inventories or sell any goods. Accordingly, clause 4(iv) of the Order with respect to purchase of inventories and sale of goods is not applicable. In our opinion, there is an adequate internal control system commensurate with the size of the Company and the nature of its business for the purchase of fixed assets and for the sale of services. During the course of our audit, no major weakness has been noticed in the internal control system in respect of these areas.
- (v) (a) The Company has not entered into any contracts or arrangements referred to in Section 301 of the Act. Accordingly, the provisions of clause 4(v) of the Order are not applicable.
- (vi) The Company has not accepted any deposits from the public within the meaning of Sections 58A and 58AA of the Act and the Companies (Acceptance of Deposits) Rules, 1975. Accordingly, the provisions of clause 4(vi) of the Order are not applicable.
- (vii) In our opinion, the Company has an internal audit system commensurate with its size and the nature of its business.
- (viii) To the best of our knowledge and belief, the Central Government has not prescribed maintenance of cost records under clause (d) of sub-section (1) of Section 209 of the Act, in respect of Company's services. Accordingly, the provisions of clause 4(viii) of the Order are not applicable.
- (ix) (a) Undisputed statutory dues including provident fund, investor education and protection fund, employees' state insurance, income-tax, sales-tax, wealth-tax, service-tax, custom duty, excise duty, cess and other material statutory dues, as applicable, have generally been regularly deposited with the appropriate authorities, though there has been a slight delay in a few cases. No undisputed amounts payable in respect thereof were outstanding at the year end for a period of more than six months from the date they became payable.

- (b) There are no dues in respect of income tax, sales tax, wealth tax, service tax, customs duty, excise duty and cess that have not been deposited with the appropriate authorities on account of any dispute.
- (x) In our opinion, the Company's accumulated losses at the end of the financial year are less than fifty percent of its net worth. Further the Company has not incurred cash losses in the current year and the immediately preceding financial year.
- (xi) The Company has not defaulted in repayment of dues to any bank or financial institution during the year. The Company did not have any outstanding debentures during the year.
- (xii) The Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities. Accordingly, the provisions of clause 4(xii) of the Order are not applicable.
- (xiii) In our opinion, the Company is not a chit fund or a nidhi/ mutual benefit fund/ society. Accordingly, the provisions of clause 4(xiii) of the Order are not applicable.
- (xiv) In our opinion, the Company is not dealing or trading in shares, securities, debentures and other investments. Accordingly, the provisions of clause 4(xiv) of the Order are not applicable.
- (xv) In our opinion, the terms and conditions on which the Company has given guarantee for loan taken by others from bank or financial institutions are not, *prima facie*, prejudicial to the interest of the Company.
- (xvi) In our opinion, the Company has applied the term loans for the purpose for which these loans were obtained.
- (xvii) In our opinion, no funds raised on short-term basis have been used for long-term investment.
- (xviii) During the year, the Company has not made any preferential allotment of shares to parties or companies covered in the register maintained under Section 301 of the Act. Accordingly, the provisions of clause 4(xviii) of the Order are not applicable.
- (xix) The Company has neither issued nor had any outstanding debentures during the year. Accordingly, the provisions of clause 4(xix) of the Order are not applicable.
- (xx) The Company has not raised any money by public issues during the year. Accordingly, the provisions of clause 4(xx) of the Order are not applicable.
- (xxi) No fraud on or by the company has been noticed or reported during the period covered by our audit.

For **Walker, Chandok & Co.**
Chartered Accountants
Firm Registration no.: 001076N

-sd-

Per **Aashish Arjun Singh**
Partner
Membership No. 210122

Noida
28th May 2012

BALANCE SHEET	NOTE	As at 31 March 2012 ₹	As at 31 March 2011 ₹
EQUITY AND LIABILITIES			
SHAREHOLDERS' FUNDS			
Share capital	2	99,955,705	99,955,705
Reserves and surplus	3	225,420,261	156,720,303
		<u>325,375,966</u>	<u>256,676,008</u>
NON-CURRENT LIABILITIES			
Long-term borrowings	4	115,000,000	172,750,000
Long-term provisions	5	7,805,175	5,155,551
		<u>122,805,175</u>	<u>177,905,551</u>
CURRENT LIABILITIES			
Short-term borrowings	4	30,789,324	52,021,663
Trade payables	7	28,969,527	22,658,995
Other current liabilities	8	29,039,020	21,815,882
Short-term provisions	5	16,697,442	1,542,398
		<u>105,495,313</u>	<u>98,038,938</u>
TOTAL		<u>553,676,454</u>	<u>532,620,497</u>
ASSETS			
NON-CURRENT ASSETS			
Fixed assets			
Tangible assets	9	24,719,881	27,315,329
Intangible assets	10	21,704,336	14,741,756
Non-current investments	11	265,667,452	265,567,452
Deferred tax assets, net	13	1,687,523	1,261,122
Long-term loans and advances	14	79,716,636	51,227,504
Other non-current assets	15	1,530,539	2,023,133
		<u>395,026,367</u>	<u>362,136,296</u>
CURRENT ASSETS			
Trade receivables	12	145,737,073	148,840,685
Cash and bank balances	16	78,019	8,874,351
Short-term loans and advances	14	9,560,435	10,987,678
Other current assets	15	3,274,560	1,781,487
		<u>158,650,087</u>	<u>170,484,201</u>
TOTAL		<u>553,676,454</u>	<u>532,620,497</u>

Notes 1 to 32 form an integral part of these financial statements

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

For **Walker, Chandio & Co**

Chartered Accountants

-Sd-

per **Aashish Arjun Singh**

Partner

Noida

28 May 2012

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

-Sd-

Pradeep Dadlani

Director

-Sd-

Shweta Agrawal

Company Secretary

Noida

28 May 2012

-Sd-

Kedar Nath Choudhury

Director

STATEMENT OF PROFIT AND LOSS

	NOTE	Year ended 31 March 2012	Year ended 31 March 2011
INCOME		₹	₹
Revenue from operations	17	471,800,695	371,560,021
Other income	18	10,442,592	3,459,333
TOTAL		482,243,287	375,019,354
EXPENSES			
Employee benefit expenses	19	240,888,602	184,216,513
Other expenses	20	134,180,958	101,318,972
TOTAL		375,069,560	285,535,485
EARNINGS BEFORE INTEREST, TAX, DEPRECIATION AND AMORTISATION (EBITDA)		107,173,727	89,483,869
Depreciation and amortisation expense	21	12,709,575	10,576,433
Finance costs	22	18,393,362	16,640,909
PROFIT BEFORE TAX		76,070,790	62,266,527
Tax expense:			
— Current tax		15,220,053	1,293,515
— Deferred tax credit		(426,401)	(1,200)
— Minimum alternate tax credit		(14,582,196)	(1,293,515)
PROFIT FOR THE YEAR		75,859,334	62,267,727
Earnings per equity share:	23		
Basic & diluted (Par value of ₹ 5)		3.80	3.12

Notes 1 to 32 form an integral part of these financial statements

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

or **Walker, Chandio & Co**
Chartered Accountants

-Sd-
per **Aashish Arjun Singh**
Partner

Noida
28 May 2012

For and on behalf of the Board of Directors

-Sd-

Pradeep Dadlani
Director

-Sd-

Shweta Agrawal
Company Secretary

Noida
28 May 2012

-Sd-

Kedar Nath Choudhury
Director

Notes to the financial statement for the year ended 31 March 2012 (Contd.)

1 SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of preparation of financial statements

The financial statements have been prepared and presented under the historical cost convention on the accrual basis of accounting in accordance with the Generally Accepted Accounting Principles in India ('Indian GAAP') and comply with the mandatory Accounting Standards ('AS') prescribed by Companies (Accounting Standard) Rules, 2006 and the relevant provisions of the Companies Act, 1956 ('the Act'). The accounting policies have been consistently applied by the Company and are consistent with those used in the previous year unless otherwise stated.

(b) Use of estimates

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

(c) Revenue recognition

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

'Unbilled revenues' represent revenues recognised on services rendered as per contractual terms, for which amounts are to be billed in subsequent periods. The related billings are expected to be performed as per milestones provided in the contracts.

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

Interest

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

(d) Fixed assets and depreciation/amortisation*Tangible*

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

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.

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

Notes to the financial statement for the year ended 31 March 2012 (Contd.)

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

Asset category	Depreciation rate
Computers	33.33%
Software	33.33%
Furniture and fixtures	14.29%
Office equipment's	14.29%
Office buildings	1.63%
Vehicles	20.00%
Electrical Installations	14.29%
Leasehold improvements	Period of the lease

Depreciation/amortisation is charged on a proportionate basis for all the assets purchased and sold during the year. Fixed assets individually costing less than ₹ 5,000 are fully depreciated in the year of purchase. Leasehold improvements have been depreciated over lease period including renewable period and subject to maximum useful economic life of 7 years.

Assets under capital lease are amortised over their estimated useful life or the lease term whichever is lower. Non-compete fee is amortised over the period of expected benefit. Goodwill on amalgamation is amortised over a period of 5 years.

(e) Impairment of assets

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

(f) Investments

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

(g) Foreign currency transactions

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

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

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

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

(h) Derivative instruments and hedge accounting

Pursuant to the ICAI Announcement on accounting for derivatives and ability to early adopt Accounting Standard 30-Financial Instruments: "Recognition and Measurement" (AS 30), the Company has early adopted AS 30 with effect from 1 April 2011, to the extent that the adoption does not conflict with existing mandatory accounting standards and other authoritative pronouncements, company law and other regulatory requirements. The Company uses foreign exchange forwards contracts

Notes to the financial statement for the year ended 31 March 2012 (Contd.)

to hedge its exposure to movements in foreign exchange rates. These foreign exchange forward contracts are not used for trading or speculation purposes.

The accounting policies for forwards contracts are based on whether they meet the criteria for designation as effective cash flow hedges. To designate a forward contract as an effective cash flow hedge, the Company objectively evaluates with appropriate supporting documentation at the inception of the each contract whether the contract is effective in achieving offsetting cash flows attributable to the hedged risk. Effective hedge is generally measured by comparing the cumulative change in the fair value of the hedge contract with a cumulative change in the fair value of the hedged item.

For forward contracts that are designated as effective cash flow hedges, the gain or loss from the effective portion of the hedge is recorded and reported directly in the shareholders' fund (under the head "Hedge Reserve") and are reclassified into the Statement of Profit and Loss upon the occurrence of the hedged transactions.

The Company recognises gains or losses from changes in fair values of forward contracts that are not designated as effective cash flow hedges for accounting purposes in the Statement of Profit and Loss in the period the fair value changes occur.

(i) Employee benefits

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

Provident fund

The Company contributes to the statutory provident fund of the Regional Provident Fund Commissioner, in accordance with Employees provident fund and Miscellaneous Provision Act, 1952 for its employees. The plan is a defined contribution plan and contribution paid or payable is recognised as an expense in the period in which the employee renders services.

Gratuity

Gratuity is a post employment benefit and is a defined benefit plan. The liability recognised in the Balance Sheet represents the present value of the defined benefit obligation at the Balance Sheet date, less the fair value of plan assets (if any), together with adjustment for unrecognised actuarial gains or losses and past service cost. Independent actuaries using the Projected Unit Credit Method calculate the defined benefit obligation annually.

Actuarial gains or losses arising from experience adjustments and changes in actuarial assumptions are credited or charged to the Statement of Profit and Loss in the year in which such gains or losses arises.

Compensated absences

The Company also provides benefit of compensated absences under which unavailed leave are allowed to be accumulated to be availed in future. The scheme is considered as a long term benefit. The compensated absences comprises of vesting as well as non vesting benefit and the liability is determined in accordance with the rules of the Company and is based on actuarial valuations made on projected unit method at the balance sheet date for the balance.

(j) Borrowing costs

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

(k) Leases*Finance leases*

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

If there is no reasonable certainty that the Company will obtain the ownership by the end of the lease term, capitalised leased assets are depreciated over the shorter of the estimated useful life of the asset or the lease term.

Notes to the financial statement for the year ended 31 March 2012 (Contd.)*Operating leases*

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

(l) Provisions and contingent liabilities

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

Contingent assets are not recognised in the financial statements. However, contingent assets are assessed continually and if it is virtually certain that an inflow of economic benefits will arise, the asset and related income are recognised in the period in which the change occurs.

(m) Earnings /(Loss) per share

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

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

(n) Income taxes*Current tax*

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

Deferred tax

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

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

(o) Cash and cash equivalents

Cash and cash equivalents for the purposes of cash flow statement comprise cash at bank and in hand and short-term investments with an original maturity of three months or less.

Notes to the financial statement for the year ended 31 March 2012 (Contd.)

	As at 31 March 2012		As at 31 March 2011	
	Number	₹	Number	₹
2 SHARE CAPITAL				
Authorised				
Equity shares of ₹ 5 each	72,000,000	360,000,000	72,000,000	360,000,000
Preference shares of ₹ 100 each	100,000	10,000,000	100,000	10,000,000
	72,100,000	370,000,000	72,100,000	370,000,000
Issued share capital				
Equity shares of ₹ 5 each fully paid up	20,011,581	100,057,905	20,011,581	100,057,905
Subscribed and paid up				
Equity shares of ₹ 5 each fully paid	19,960,481	99,802,405	19,960,481	99,802,405
Add: Forfeited shares (amount originally paid ₹ 3 pershare on 51,100 equity shares)		153,300		153,300
	19,960,481	99,955,705	19,960,481	99,955,705

a. Reconciliation of the equity shares	As at 31 March 2012		As at 31 March 2011	
	Number	₹	Number	₹
Balance at the beginning of the year	19,960,481	99,955,705	19,960,481	99,955,705
Add : Issued during the year	-	-	-	-
Balance at the end of the year	19,960,481	99,955,705	19,960,481	99,955,705

b. Terms and rights attached to equity shares

The Company has only one class of equity shares having a par value of ₹ 5 per share. Each equity share is entitled to one vote per share.

The dividend, if any, proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting shall be payable in Indian rupees. In the event of liquidation of the company, the shareholders will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

c. Shares held by the holding company	As at 31 March 2012		As at 31 March 2011	
	Number	₹	Number	₹
Tayana Digital Private Limited	12,142,100	60,710,500	12,142,100	60,710,500

d. Details of shareholders holding more than 5% shares in the company	As at 31 March 2012		As at 31 March 2011	
	Number	₹	Number	₹
(i) Yukti Securities Private Limited	1,172,208	5,861,040	1,172,208	5,861,040
(ii) Tayana Digital Private Limited	12,142,100	60,710,500	12,142,100	60,710,500
	13,314,308	66,571,540	13,314,308	66,571,540

e. Shares allotted as fully paid up by way of bonus shares (during five years immediately preceding 31 March 2012):	Year ended				
	31 March 2012	Thursday, March 31, 2012	Wednesday, March 31, 2010	Tuesday, March 31, 2009	Monday, March 31, 2008
Number of equity shares	-	-	-	-	8,428,800

The equity shares were allotted as fully paid up (face value ₹ 5 each) by capitalisation of the following reserves:

	Equivalent number of equity shares	Amount ₹
a) Securities premium account	1,096,820	5,484,100
b) General reserve	120,000	600,000
c) Statement of Profit and Loss	7,211,980	36,059,900
	8,428,800	42,144,000

The subscribed and paid up equity share capital includes 4,202,200 (31 March 2011: 4,202,200) equity shares allotted as fully paid up under the scheme of amalgamation without payments been received.

Notes to the financial statement for the year ended 31 March 2012 (Contd.)

3 RESERVES AND SURPLUS	As at 31 March 2012	As at 31 March 2011
	₹	₹
Securities premium account		
Balance at the beginning of the year	298,129,199	298,129,199
Add: premium on issue of shares	-	-
Balance at the end of the year	298,129,199	298,129,199
Deficit in the statement of profit and loss		
Balance at the beginning of the year	(141,404,617)	(203,676,623)
Add : Net profit for the year	75,859,334	62,267,727
Balance at the end of the year	(65,545,283)	(141,408,896)
Hedge reserve		
Balance at the beginning of the year	-	-
Loss during the year	(7,163,655)	-
Balance at the end of the year	(7,163,655)	-
Total	225,420,261	156,720,303

4 BORROWINGS	As at 31 March 2012		As at 31 March 2011	
	Long-term ₹	Short-term ₹	Long-term ₹	Short-term ₹
Secured				
Term loan	-	-	43,750,000	-
Working capital loan	-	30,789,324	-	52,021,663
Current maturities of finance lease obligations	-	-	-	82,911
Unsecured				
Loan from a body corporate	115,000,000	-	129,000,000	-
Total	115,000,000	30,789,324	172,750,000	52,021,663

(a) Details of security for borrowings

Working capital borrowings (inclusive of packing credit facility in foreign currency) from bank are secured by first exclusive charge on current assets and equitable mortgage on land and building of the Company situated at D-30, Sector 3, Noida and by a corporate guarantee from Axis Aerospace & Technologies Limited.

Loan from a body corporate is secured by demand promissory note for the loan together with interest thereon.

(b) Terms of repayment of borrowings

Packing credit in foreign currency from bank bearing an interest rate of 3% - 5% are repayable over maximum tenure of 180 days from the date of respective availment.

Loan from a body corporate bearing an interest rate of 8% to 10% are repayable over a maximum tenure of three years from the date of availment.

(c) Disclosure in respect of finance lease

The lease payments are determined on the basis of the lease agreements entered into with the constituents and the future lease commitments are given below:

Particulars	As at 31 March 2012		As at 31 March 2011	
	Minimum Payments	Present value of MLP	Minimum Payments	Present value of MLP
Payable not later than 1 year	-	-	83,900	83,900
Payable later than 1 year not later than five years	-	-	-	-
Payable later than five years	-	-	-	-
	-	-	83,900	83,900
Less : Amounts representing interest	-	-	(989)	(989)
	-	-	82,911	82,911

Notes to the financial statement for the year ended 31 March 2012 (Contd.)

5 PROVISIONS	As at 31 March 2012		As at 31 March 2011	
	Long-term ₹	Short-term ₹	Long-term ₹	Short-term ₹
Provision for employee benefits				
Gratuity (Also, refer note (6a) below)	4,744,164	46,785	3,358,901	154,777
Compensated absences	3,061,011	137,089	1,796,650	80,506
	7,805,175	183,874	5,155,551	235,283
Other provisions				
Provision for minimum alternate tax	–	16,513,568	–	1,307,115
	–	16,513,568	–	1,307,115
	7,805,175	16,697,442	5,155,551	1,542,398

6 EMPLOYEE BENEFIT OBLIGATION

a) Gratuity

The Company has provided for the gratuity liability (defined benefit plan), as per actuarial valuation carried out by an independent actuary on the Balance Sheet date.

	Year ended 31 March 2012 ₹	Year ended 31 March 2011 ₹
Changes in the present value of the defined benefit obligation are as follows:		
Defined benefit obligation at the beginning of the year	3,513,678	5,696,709
Current service cost	1,981,140	1,400,656
Interest cost	298,663	455,737
Benefits paid	(645,436)	(1,016,796)
Actuarial gains	(357,096)	(3,022,628)
Defined benefit obligation at the end of the year	4,790,949	3,513,678
Components of net gratuity costs are		
Current service cost	19,81,140	14,00,656
Interest on defined benefit obligation	2,98,663	4,55,737
Net actuarial gains recognised in year	(3,57,096)	(3,02,628)
Expenses/(write back) recognised in the Statement of profit and loss for the year	19,22,707	(11,66,235)
Components of net gratuity costs are		
Current service cost	1,981,140	1,400,656
Interest on defined benefit obligation	298,663	455,737
Net actuarial gains recognised in year	(357,096)	(3,022,628)
Expenses/(write back) recognised in the Statement of Profit and Loss for the year	1,922,707	(1,166,235)
Amounts recognised in the Balance Sheet are as follows		
Present value of unfunded obligations as at the end of the year	4,790,949	3,513,678
Net liability recognised in the Balance Sheet	4,790,949	3,513,678
The principal assumptions used in determining gratuity and compensated absence obligations for the company's plans are shown below:		
Discount rate	8.50%	8.00%
Salary escalation rate	6.50%	6.00%

Notes to the financial statement for the year ended 31 March 2012 (Contd.)

b) Defined contribution plan

The Company makes contribution of statutory provident fund as per Employees Provident Fund and Miscellaneous Provision Act, 1952. This is a defined contribution plan as per AS 15. Contribution made during they earended 31 March 2012 is ₹ 80,04,781 (31 March 2011 : ₹ 49,92,640).

7 TRADE PAYABLES

	As at 31 March 2012	As at 31 March 2011
	₹	₹
Dues to micro and small enterprises (Also, refer note (a) below)	–	–
Dues to others	20,511,886	20,543,684
Accrued expenses	8,457,641	2,115,311
	28,969,527	22,658,995

a) The management has identified enterprises which have provided goods and services to the Company and which qualify under the definition of micro and small enterprises, as defined under Micro, Small and Medium Enterprises Development Act, 2006 (MSMEDA). Accordingly, the disclosure in respect of the amounts payable to such enterprises as at 31 March 2012 has been made in the financials statements based on information received and available with the Company. Further in the view of the management, the impact of interest, if any, that may be payable in accordance with the provisions of the MSMEDA is not expected to be material.

8 OTHER CURRENT LIABILITIES

	As at 31 March 2012	As at 31 March 2011
	₹	₹
Duties and taxes payable	5,295,065	7,511,791
Unearned revenue	–	233,574
Dues to employees	16,517,227	13,991,614
Hedge liability	7,163,655	–
Book overdraft	63,073	78,904
	29,039,020	21,815,883

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Notes to the financial statement for the year ended 31 March 2012 (Contd.)

9 TANGIBLE ASSETS	Computers & fixtures	Furniture equipments	Office installations	Electrical land"	"Freehold buildings	Office	Vehicles	(Amount in ₹) Total
Gross block								
Balance as at 1 April 2010	16,142,677	6,776,484	6,035,395	2,059,794	2,264,437	16,581,724	1,756,330	51,616,841
Additions	2,100,929	2,528,916	1,016,202	-	-	-	-	5,646,047
Balance as at 31 March 2011	18,243,606	9,305,400	7,051,597	2,059,794	2,264,437	16,581,724	1,756,330	57,262,888
Additions	478,478	1,021,387	680,908	-	-	-	-	2,180,773
Balance as at 31 March 2012	18,722,084	10,326,787	7,732,505	2,059,794	2,264,437	16,581,724	1,756,330	59,443,661
Accumulated depreciation								
Balance as at 1 April 2010	11,228,397	5,740,265	3,533,603	2,021,223	-	2,498,337	640,940	25,662,765
Charge for the year	2,749,960	293,838	606,517	12,931	-	270,282	351,266	4,284,794
Balance as at 31 March 2011	13,978,357	6,034,103	4,140,120	2,034,154	-	2,768,619	992,206	29,947,559
Charge for the year	2,539,915	816,215	779,877	16,963	-	271,023	352,228	4,776,221
Balance as at 31 March 2012	16,518,272	6,850,318	4,919,997	2,051,117	-	3,039,642	1,344,434	34,723,780
Net Block								
At 31 March 2011	4,265,249	3,271,297	2,911,477	25,640	2,264,437	13,813,105	764,124	27,315,329
At 31 March 2012	2,203,812	3,476,469	2,812,508	8,677	2,264,437	13,542,082	411,896	24,719,881

Notes to the financial statement for the year ended 31 March 2012 (Contd.)

10 INTANGIBLE ASSETS	(Amount in ₹)			
	Non compete fees	Softwares	Goodwill	Total
Gross block				
Balance as at 1 April 2010	1,971,000	15,311,267	16,445,348	33,727,615
Additions	–	16,673,458	–	16,673,458
Balance as at 31 March 2011	1,971,000	31,984,725	16,445,348	50,401,073
Additions	–	14,895,934	–	14,895,934
Balance as at 31 March 2012	1,971,000	46,880,659	16,445,348	65,297,007
Accumulated amortisation				
Balance as at 1 April 2010	1,971,000	11,887,880	15,508,798	29,367,678
Charge for the year	–	5,355,089	936,550	6,291,639
Balance as at 31 March 2011	1,971,000	17,242,969	16,445,348	35,659,317
Charge for the year	–	7,933,354	–	7,933,354
Balance as at 31 March 2012	1,971,000	25,176,323	16,445,348	43,592,671
Net Block				
Balance as at 31 March 2011	–	14,741,756	–	14,741,756
Balance as at 31 March 2012	–	21,704,336	–	21,704,336

11 NON-CURRENT INVESTMENTS

(Valued at cost unless stated otherwise)

Trade
Investments in equity shares
In subsidiaries

Axis Inc., U.S.A.

19,725 (31 March 2011 : 19,726) equity shares

Cades Digitech Private Limited

9,067,000 (31 March 2011 : 9,067,000) equity shares of ₹ 10 each fully paid up

Non-trade
Investments in equity shares

Axis Cogent Global Limited

946,822 (31 March 2011 : 446,822) equity shares of ₹ 10 each fully paid up

Datum Technology Limited

50,000 (31 March 2011 : 50,000) equity shares of ₹ 10 each

Less : Provision for diminution in the value of long term investments

	Year ended 31 March 2012	Year ended 31 March 2011
	₹	₹

148,906,359

148,906,359

105,847,435

105,847,435

10,913,658

10,813,658

500,000

500,000

(500,000)

(500,000)

265,667,452
265,567,452
12 TRADE RECEIVABLES

(Unsecured)

Outstanding for a period exceeding six months from the date they are due for payment

Considered good

Doubtful

3,486,095

18,193,693

1,089,339

1,089,339

4,575,434
19,283,032

Other debt considered good

142,250,978

130,646,992

Less : Allowances for doubtful debts

(1,089,339)

(1,089,339)

14,57,37,073
14,88,40,685

Notes to the financial statement for the year ended 31 March 2012 (Contd.)
13 DEFERRED TAXES

	As at 31 March 2012 ₹	As at 31 March 2011 ₹
Deferred tax assets		
Provision for doubtful trade receivables	353,436	–
Provision for employee benefits	842,991	2,166,551
Provision for variable pay	1,992,153	–
Other timing differences	–	368,551
Total	3,188,580	2,535,102
Deferred tax liabilities		
Timing difference on depreciation and amortisation	1,501,057	1,273,980
Total	1,501,057	1,273,980
Deferred tax asset, net	1,687,523	1,261,122

14 LOANS AND ADVANCES

	As at 31 March 2012		As at 31 March 2011	
	Long-term ₹	Short-term ₹	Long-term ₹	Short-term ₹
Security deposit				
Unsecured considered good	17,341,651	–	16,490,641	–
Doubtful	24,945,920	–	24,945,920	–
	42,287,571	–	41,436,561	–
Allowances for doubtful deposits	(24,945,920)	–	(24,945,920)	–
	17,341,651	–	16,490,641	–
Advances recoverable in cash or kind				
Unsecured considered good	–	2,177,500	–	1,693,577
	–	2,177,500	–	1,693,577
Other loans and advances				
Advance income tax (net of provisions)	46,499,274	–	33,443,348	–
MAT credit entitlement	15,875,711	–	1,293,515	–
Service tax input credit recoverable	–	3,023,653	–	4,025,832
Prepaid expenses	–	4,679,298	–	3,020,156
Advance to employees	–	1,128,710	–	3,696,837
	62,374,985	8,831,660	34,736,863	10,742,826
Allowances for doubtful service tax receivable	–	(1,448,725)	–	(1,448,725)
	62,374,985	7,382,935	34,736,863	9,294,101
	79,716,636	9,560,435	51,227,504	10,987,678

15 OTHER ASSETS

	As at 31 March 2012		As at 31 March 2011	
	Non-current ₹	Current ₹	Non-current ₹	Current ₹
Unbilled revenue	–	3,215,629	–	1,766,278
Miscellaneous expenses to the extent not written off	1,038,000	–	1,557,000	–
Bank deposits with maturity of more than 12 months	492,539	–	466,133	–
Interest accrued	–	58,931	–	15,209
	1,530,539	3,274,560	2,023,133	1,781,487

Notes to the financial statement for the year ended 31 March 2012 (Contd.)

16 CASH AND BANK BALANCES	As at 31 March 2012		As at 31 March 2011	
	Non-current ₹	Current ₹	Non-current ₹	Current ₹
Cash and cash equivalents				
Cash on hand	-	49,963	-	108,872
Balances with banks:				
- in current accounts	-	28,056	-	8,765,479
	<u>-</u>	<u>78,019</u>	<u>-</u>	<u>8,874,351</u>
Other bank balances				
Bank deposits with maturity of more than 12 months*	492,539	-	466,133	-
	<u>492,539</u>	<u>-</u>	<u>466,133</u>	<u>-</u>
Less : Amounts disclosed as other non-current assets (Refer note 15)	(492,539)	-	(466,133)	-
	<u>-</u>	<u>78,019</u>	<u>-</u>	<u>8,874,351</u>

*Out of the total fixed deposit balance, a fixed deposit amounting to ₹ 128,871 (31 March 2011: ₹ 128,871) is in the name of Axis Computers Private Limited (a Company which was merged into the Company in earlier years) and a fixed deposit amounting to ₹ 351,168 (31 March 2011: ₹ 295,912) is in the name of IT & T Limited (the erstwhile name of the Company).

17 REVENUE	Year ended 31 March 2012 ₹	Year ended 31 March 2011 ₹
Revenue from operations		
Engineering design services	471,800,695	341,444,483
Software development services- exports	-	30,115,538
	<u>471,800,695</u>	<u>371,560,021</u>
 18 OTHER INCOME		
Corporate guarantee fee	8,250,000	-
Net gain on foreign currency transaction and translation	1,409,236	362,944
Interest income		
- from non-current investments	166,896	117,598
- income tax refund	619,460	116,230
Liability no longer required, written back	-	2,785,028
Miscellaneous income	-	77,533
	<u>10,442,592</u>	<u>3,459,333</u>
 19 EMPLOYEE BENEFIT EXPENSES		
Salaries, wages and bonus	223,826,468	174,282,632
Contribution to provident fund	8,004,781	4,992,640
Gratuity (Also, refer note 5(a))	1,922,707	-
Compensated absences	2,418,363	1,302,589
Staff welfare expense	4,716,283	3,638,652
	<u>240,888,602</u>	<u>184,216,513</u>

Notes to the financial statement for the year ended 31 March 2012 (Contd.)	Year ended 31 March 2012	Year ended 31 March 2011
	₹	₹
20 OTHER EXPENSES		
Rent	32,108,640	23,967,866
Electricity charges	9,048,581	7,640,711
Travelling and conveyance	24,540,099	19,417,870
Legal and professional charges	11,106,041	13,665,675
Repairs and maintenance		
- Building	10,564,042	4,164,316
- Others	2,228,867	1,248,395
Auditors remuneration (Also, refer note 28)	728,328	767,988
Equipment hire charges	32,262,288	17,986,243
Recruitment and training expenses	1,942,578	1,153,132
Advertising expenses	2,272,172	2,583,601
Communication expenses	2,571,525	2,868,829
Printing and stationery	1,309,024	1,079,114
Security charges	1,095,088	963,366
Rates and taxes	761,499	137,602
Insurance expenses	51,308	78,490
Postage and courier charges	240,326	97,544
Directors sitting fees	476,500	105,000
Sales commission	-	2,062,000
Miscellaneous expenses	874,052	1,331,230
	<u>134,180,958</u>	<u>101,318,972</u>
21 DEPRECIATION AND AMORTISATION EXPENSE		
Depreciation of tangible assets (Also, refer note 9)	4,776,221	4,284,794
Amortisation of intangible assets (Also, refer note 10)	7,933,354	6,291,639
	<u>12,709,575</u>	<u>10,576,433</u>
22 FINANCE COSTS		
Interest on loans		
- term loan	14,141,396	5,486,804
- working capital loan	2,052,927	9,686,034
Processing fee and other bank charges	2,199,039	1,468,071
	<u>18,393,362</u>	<u>16,640,909</u>
23 EARNINGS PER SHARE (EPS)		
a) Profit after tax attributable to equity shares (₹)	75,859,334	62,267,727
b) Weighted average number of shares outstanding	19,960,481	19,960,481
c) Nominal value of shares (₹)	5.00	5.00
d) Basic and diluted earning per share (₹)	3.80	3.12
24 CONTINGENT LIABILITIES AND COMMITMENTS		
Estimated amount of contracts remaining to be executed on and not provided for	518,939	-
Corporate guarantee provided to YES Bank Limited for loans availed by CADES Digitech Private Limited, a subsidiary.	150,000,000	150,000,000
Order passed against the Company by a consumer forum, Lucknow, against which the Company has filed a revised petition	-	225,600
Counter guarantee provided to YES Bank Limited against guarantee availed by Axis Aerospace & Technologies Limited.	825,000,000	-
	<u>975,518,939</u>	<u>150,225,600</u>

Notes to the financial statement for the year ended 31 March 2012 (Contd.)

25 RELATED PARTY DISCLOSURES

i. Parties where control exists :

Nature of relationship	Name of party
Holding company information	The Company is a subsidiary of Tayana Digital Private Limited (demerged from Tayana Software Solutions Private Limited) which is a subsidiary of Axis Aerospace & Technologies Limited. ('AATL', formerly known as Jupiter Strategic Technologies Private Limited'). AATPL, a venture funded by Jupiter Capital Private Limited ('JCPL'), is a subsidiary of the JCPL.

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

Subsidiary Companies	Axis Inc., U.S.A. Axis E.U. Limited Cades Dignitech Private Limited Cades Technology Canada Inc
----------------------	--

iii. Key Management Personnel :
Chairman and CEO

Mr. S Ravinarayanan

iv. Transactions with related parties:

Nature of Transaction	Holding Company / Intermediate Holding Company		Subsidiary		Key Management Personnel		Total	
	31 March 2012	31 March 2011	31 March 2012	31 March 2011	31 March 2012	31 March 2011	31 March 2012	31 March 2011
	(Amount in ₹)							
A Revenue from operations								
Axis Inc.	-	-	226,247,942	146,966,557	-	-	226,247,942	146,966,557
Axis EU Limited	-	-	5,707,310	6,261,305	-	-	5,707,310	6,261,305
Cades Dignitech Private Limited	-	-	-	59,81,414	-	-	-	5,981,414
Axis Aerospace & Technologies Limited	-	739,500	-	-	-	-	-	739,500
B Investment made								
Cades Dignitech Private Limited	-	-	-	20,050,000	-	-	-	20,050,000
Axis Inc.	-	-	-	17,903,641	-	-	-	17,903,641
C Unsecured loan availed								
Axis Aerospace & Technologies Limited	119,000,000	67,300,000	-	-	-	-	119,000,000	67,300,000
D Unsecured loan repaid								
Axis Aerospace & Technologies Limited	133,000,000	31,300,000	-	-	-	-	133,000,000	31,300,000
E Interest on unsecured loans								
Axis Aerospace & Technologies Limited	9,476,537	8,246,295	-	-	-	-	9,476,537	8,246,295

Notes to the financial statement for the year ended 31 March 2012 (Contd.)

iv. Transactions with related parties (Contd.):

Nature of Transaction	Holding Company / Intermediate Holding Company		Subsidiary		Key Management Personnel		Total	
	31 March 2012	31 March 2011	31 March 2012	31 March 2011	31 March 2012	31 March 2011	31 March 2012	31 March 2011
F Advance for expenses received Axis Inc. Axis EU Limited	-	-	-	2997,592 811,703	-	-	-	299,7592 811,703
G Intercorporate deposit extended Cades Digitech Private Limited	-	-	-	2000,000	-	-	-	2000,000
H Intercorporate deposit repaid Cades Digitech Private Limited	-	-	-	2000,000	-	-	-	2000,000
I Corporate guarantee fee income Axis Aerospace & Technologies Limited	8,250,000	-	-	-	-	-	8,250,000	-
J Remuneration Mr. S. Ravinarayanan	-	-	-	-	2,016,000	2,016,000	2,016,000	2,016,000
K Reimbursement of expenses to the Company Cades Digitech Private Limited	-	-	-	104,735	-	-	-	104,735
L Reimbursement of expenses by the Company Cades Digitech Private Limited	-	-	-	302,431	-	-	-	302,431
M Engineering services received Cades Digitech Private Limited	-	-	-	495,523	-	-	-	495,523
N Corporate guarantee given Cades Digitech Private Limited Axis Aerospace & Technologies Limited	-	-	150,000,000	150,000,000	-	-	150,000,000 825,000,000	150,000,000 -

(This space has been intentionally left blank)

Notes to the financial statement for the year ended 31 March 2012 (Contd.)

v. Transactions with related parties:

Nature of Transaction	(Amount in ₹)					
	Holding Company / Intermediate Holding Company		Subsidiary		Total	
	31 March 2012	31 March 2011	31 March 2012	31 March 2011	31 March 2012	31 March 2011
A Investments						
Axis Inc.	-	-	148,906,360	148,906,360	148,906,360	148,906,360
Cades Digitech Private Limited	-	-	105,847,440	105,847,440	105,847,440	105,847,440
B Other current liabilities						
Reimbursement of expenses	-	-	-	104,735	-	104,735
Cades Digitech Private Limited	-	-	-	-	-	-
Interest payable	851,479	862,383	-	-	851,479	862,383
Axis Aerospace & Technologies Limited						
C Loan outstanding						
Axis Aerospace & Technologies Limited	1,15,000,000	1,29,000,000	-	-	1,15,000,000	1,29,000,000
D Other current assets						
Amount recoverable for expenses	-	-	4,415,851	562,942	4,415,851	562,942
Axis Inc.	-	-	-	379,604	-	379,604
Axis EU Limited						
E Trade receivables						
Axis Inc.	-	-	53,435,499	104,238,515	53,435,499	104,238,515
Axis EU Limited	-	-	9,206,560	5,830,269	9,206,560	5,830,269
Axis Aerospace & Technologies Limited	9,099,750	-	-	-	9,099,750	-
Cades Digitech Private Limited	-	-	-	1,352,339	-	1,352,339
F Trade payables						
Cades Digitech Private Limited	-	-	-	495,523	-	495,523
G Corporate guarantee given						
Cades Digitech Private Limited	-	-	1,50,000,000	1,50,000,000	1,50,000,000	1,50,000,000
Axis Aerospace & Technologies Limited	825,000,000	-	-	-	825,000,000	-

Notes to the financial statement for the year ended 31 March 2012 (Contd.)
26 DISCLOSURES IN RESPECT OF NON-CANCELLABLE OPERATING LEASES

The lease expenses for cancellable and non-cancellable operating leases during the year ended 31 March 2012 was ₹ 32,108,640 (31 March 2011 : ₹ 23,967,867)

The details of lease commitments in terms of minimum lease payments within the non-cancellable period are as follows:

Payments falling due:	As at 31 March 2012	As at 31 March 2011
	₹	₹
Not later than one year	8,933,400	17,191,200
Later than one year but not later than 5 years	-	11,460,800
Later than 5 years	-	-
	8,933,400	28,652,000

27 PARTICULARS RELATING TO FOREIGN EXCHANGE

	Year ended 31 March 2012	Year ended 31 March 2011
	₹	₹
Earnings in foreign exchange (accrual basis)		
Income from operations	239,964,649	189,671,870
Expenditure in foreign currency		
Expenses recoverable	4,638,791	-
Other general expenses	-	1,061,727
Commission and brokerage	-	2,062,000
Travel	12,201,470	9,535,560
	16,840,261	12,659,287
Value of Imports on CIF Basis		
Capital goods	-	13,988,139
	-	13,988,139

28 PAYMENT TO AUDITORS

Statutory audit fees *	625,000	625,000
Tax audit fees	75,000	75,000
Out of pocket expenses	28,328	67,988
	728,328	767,988

Note: * Excluding Service tax

29 DERIVATIVE INSTRUMENTS AND UNHEDGED FOREIGN CURRENCY EXPOSURE

Pursuant to the adoption AS 30, the loss on fair valuation on forward contracts, which qualify as effective cash flow hedges amounting to ₹ 7,163,655 has been recognised in the hedge reserve account. The impact of the adoption of AS 30 did not have any material impact on the opening reserves of the Company.

a) The following are the outstanding derivatives contracts entered into by the Company:

31 March 2012

Category	Currency	Buy / Sell	Amount	Purpose
Forward contracts	USD	Sell	1,600,000	Hedging

Notes to the financial statement for the year ended 31 March 2012 (Contd.)

b) The Company's unhedged foreign currency exposures are as follows:

Particulars			31 March 2012			31 March 2011	
Included in	Currency	Coverision rate	Amount in foreign currency	Amount in ₹	Coverision rate	Amount in foreign currency	Amount in ₹
Trade receivables	USD	51.1565	–	–	44.6500	1,743,964	77,867,993
	GBP	81.7992	112,551	9,206,560	71.9300	81,549	5,865,820
	EURO	68.3403	17,995	1,229,754	63.2400	7,850	496,434
PCFC loans	USD	51.1565	530,700	27,148,755	44.6500	1,162,580	51,909,197

30 Transfer pricing

The Company is required to use certain specified methods in computing arm's length price of international transactions between the associated enterprises and maintain prescribed information and documents relating to such transactions. The appropriate method to be adopted will depend on the nature of transactions / class of transactions, class of associated persons, functions performed and other factors, which have been prescribed. The Company is in the process of updating the Transfer Pricing documentation for the financial year ending 31 March 2012 following a detailed transfer pricing study conducted for the financial year ended 31 March 2011. In the opinion of the management, the same would not have an impact on these financial statements. Accordingly, these financial statements do not include the effect of the transfer pricing implications, if any.

31 The Board of Directors ('the Board') of the Company at their meeting held on 12 September 2011 have approved a Scheme of Arrangement for the merger of Cades Digitech Private Limited, a subsidiary of Axis-IT&T Limited ('the Company'), Tayana Digital Private Limited (parent of the Company) and other entities into Axis Aerospace & Technologies Limited ('AAT') subject to necessary approvals. The Board has also approved a Scheme of Arrangement for the subsequent merger of the Company into AAT subject to necessary approvals. The requisite steps for these activities are under process as at 31 March 2012.

32 PREVIOUS YEAR FIGURES

The financial statements for the year ended 31 March 2011 had been prepared as per the then applicable, pre-revised Schedule VI to the Companies Act, 1956. Consequent to the notification of Revised Schedule VI under the Companies Act, 1956, the financial statements for the year ended 31 March 2012 are prepared as per Revised Schedule VI. Accordingly, the previous year figures have also been reclassified to conform to this year's classification.

For and on behalf of the Board of Directors

-Sd-
Pradeep Dadlani
Director

-Sd-
Kedar Nath Choudhury
Director

-Sd-
Shweta Agrawal
Company Secretary

Noida
28 May 2012

Auditor's Report

To the Board of Directors of AXIS-IT&T Limited

1. We have audited the attached Consolidated Balance Sheet of AXIS-IT&T Limited and its subsidiaries (hereinafter collectively referred to as "the Group"), as at 31 March 2012 and also the Consolidated Statement of Profit and Loss and the Consolidated Cash Flow Statement for the year ended on the date annexed thereto (collectively referred as the 'Consolidated Financial Statements'). These Consolidated Financial Statements are the responsibility of the Group's management and have been prepared by the Group's management on the basis of separate financial statements and other financial information regarding components. Our responsibility is to express an opinion on these Consolidated Financial Statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance whether the Consolidated Financial Statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the Consolidated Financial Statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statements presentation. We believe that our audit provides a reasonable basis for our opinion.
3. We report that:
 - (a) the Consolidated Financial Statements have been prepared by the Group's management in accordance with the requirements of Accounting Standard 21 on 'Consolidated Financial Statements', notified pursuant to the Companies (Accounting Standards) Rules, 2006.
 - (b) We did not audit the financial statements of two subsidiaries whose financial statements reflect total assets (after eliminating intra-group transactions) of ₹ 47,947,548 as at 31 March 2012; total revenues (after eliminating intra-group transactions) of ₹ 94,320,890 and net cashflows aggregating to ₹ 3,474,168 for the year then ended. These financial statements and other financial information have been audited by other auditors whose reports have been furnished to us by the management, and our opinion is based solely on the report of the other auditors.
4. Based on our audit and consideration of reports of other auditors on separate financial statements and on the other financial information of the subsidiaries and to the best of our information and according to the explanations given to us, in our opinion, the attached Consolidated Financial Statements give a true and fair view in conformity with the accounting principles generally accepted in India, in case of:
 - a. the Consolidated Balance Sheet, of the state of affairs of the Group as at 31 March 2012;
 - b. the Consolidated Statement of Profit and Loss, of the profit for the year ended on that date; and
 - c. the Consolidated Cash Flow Statement, of the cash flows for the year ended on that date.

For **Walker, Chandiok & Co.**
Chartered Accountants
Firm Registration no.: 001076N

-sd-

Per **Aashish Arjun Singh**
Partner

Membership No. 210122

Noida
28th May 2012

AXIS-IT&T LIMITED (Consolidated)

CONSOLIDATED BALANCE SHEET

	NOTE	As at 31 March 2012 ₹	As at 31 March 2011 ₹
EQUITY AND LIABILITIES			
SHAREHOLDERS' FUNDS			
Share capital	4	99,955,705	99,955,705
Reserves and surplus	5	519,661,108	395,794,677
		619,616,813	495,750,382
MINORITY INTEREST			
		172,614,070	171,028,546
NON-CURRENT LIABILITIES			
Long-term borrowings	6	120,700,000	167,050,000
Long-term provisions	8	17,893,834	19,484,251
		138,593,834	186,534,251
CURRENT LIABILITIES			
Short-term borrowings	6	278,093,589	180,340,454
Trade payables	9	171,451,572	104,691,059
Other current liabilities	10	160,350,650	153,984,221
Short-term provisions	8	20,421,559	2,639,378
		630,317,370	441,655,112
TOTAL		1,561,142,087	1,294,968,291
ASSETS			
NON-CURRENT ASSETS			
Fixed assets			
Tangible assets	11	47,959,413	37,368,569
Intangible assets	12	78,001,650	56,123,039
Goodwill on consolidation		253,497,761	253,497,761
Intangible assets under development		97,048,242	13,652,636
Non-current investments	13	10,918,660	10,819,000
Deferred tax asset, net	14	1,687,523	1,261,122
Long-term loans and advances	17	141,786,334	136,083,362
Other non-current assets	18	1,530,539	2,023,133
		632,430,122	510,828,622
CURRENT ASSETS			
Trade receivables	15	682,359,761	518,293,673
Cash and bank balances	16	51,256,891	166,441,876
Short-term loans and advances	17	65,152,985	41,375,444
Other current assets	18	129,942,328	58,028,676
		928,711,965	784,139,669
TOTAL		1,561,142,087	1,294,968,291

Notes 1 to 36 form an integral part of these consolidated financial statements

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

or **Walker, Chandio & Co**
Chartered Accountants

-Sd-
per **Aashish Arjun Singh**
Partner

Noida
28 May 2012

For and on behalf of the Board of Directors
-Sd-

Kedar Nath Choudhury **Pradeep Dadlani**
Director Director

-Sd-
Shweta Agrawal
Company Secretary

Noida
28 May 2012

AXIS-IT&T LIMITED (Consolidated)

CONSOLIDATED CASH FLOW STATEMENT

	Year ended 31 March 2012 ₹	Year ended 31 March 2011 ₹
CASH FLOWS FROM OPERATING ACTIVITIES		
Net profit before tax and prior period	15,33,79,351	9,85,25,212
Adjustments for:		
Depreciation and amortisation	59,163,818	37,449,993
Unrealised foreign exchange gain	(4,964,666)	(168,229)
Interest expense	32,477,474	33,746,220
Interest income on bank deposits	(10,284,802)	(4,000,299)
Miscellaneous Expenses Written off	519,000	1,038,000
Liability no longer required written back	-	(1,419,859)
Provision for employee benefits	1,814,919	-
Operating profit before working capital changes	232,105,094	165,171,039
(Increase)/ decrease in long-term loans and advances	1,697,604	(38,313,672)
Increase in short-term loans and advances	(23,777,541)	(52,166,946)
Decrease in other non-current assets	(26,406)	-
Increase in trade receivables	(160,958,942)	(207,732,559)
Increase in other current assets	(71,913,652)	(35,711,722)
Increase in trade payables	66,760,513	94,519,392
Decrease in other current liabilities	(8,726,923)	78,904
Cash (used)/generated in operations	35,159,747	(74,155,564)
Direct tax payment (Net of refunds)	(24,842,841)	(2,088,898)
NET CASH (USED IN)/FROM OPERATING ACTIVITIES (A)	10,316,906	(76,244,462)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of fixed assets	(91,633,273)	(63,415,092)
Development of intangibles	(83,395,606)	-
Investment in fixed deposits	80,832,286	(119,978,783)
Sale (purchase)/proceeds of investments (net)	(100,000)	(4,900,000)
Investment made in subsidiaries	-	(20,050,000)
Reduction in purchase consideration	-	12,000,000
Interest received on bank deposits	10,284,802	4,000,299
NET CASH USED IN INVESTING ACTIVITIES (B)	(84,011,791)	(192,343,576)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds of loan from body corporate	119,000,000	67,300,000
Repayment of loan from body corporate	(133,000,000)	(31,300,000)
Repayment of term loan from bank	(32,350,000)	32,750,000
Proceeds from working capital loan, net of repayments	99,610,654	(56,608,356)
Proceeds of Issue of Equity Shares by a Subsidiary	-	309,883,596
Interest paid	(32,477,474)	(33,746,220)
NET CASH FROM/ (USED) FINANCING ACTIVITIES (C)	20,783,180	288,279,020
Net (decrease)/increase in cash and cash equivalents (A)+(B)+(C)	(52,911,704)	19,690,982
Translation Reserve	18,559,005	(854,714)
Cash and cash equivalents at beginning of the year	44,211,608	25,375,340
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	9,858,909	44,211,608

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

or **Walker, Chandio & Co**

Chartered Accountants

-Sd-

per **Aashish Arjun Singh**

Partner

Noida

28 May 2012

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

-Sd-

Kedar Nath Choudhury

Director

-Sd-

Shweta Agrawal

Company Secretary

Noida

28 May 2012

-Sd-

Pradeep Dadlani

Director

AXIS-IT&T LIMITED (Consolidated)

Notes to the consolidated financial statements for the year ended 31 March 2012 (Contd.)

1 Background

AXIS-AXIS-IT&T Limited ('the Company'), a public limited company, together with its subsidiaries namely Axis Inc., Axis EU Limited and Cades Digitech Private Limited ('Cades'), Cades Technology Canada Inc. ('Cades Canada') (hereinafter collectively referred to as 'the Group') operates in the business of Engineering Design Services. The Company's shares are listed for trading on the National Stock Exchange and Bombay Stock Exchange in India.

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries listed below:

Name of the Subsidiaries	Country of incorporation	Ownership interest (%)	
		31 March 2012	31 March 2011
Axis Inc.	USA	100.00%	100.00%
Axis EU Limited (Subsidiary of Axis Inc.)	UK	100.00%	100.00%
Cades Digitech Private Limited	India	51.10%	51.10%
Cades Technology Canada Inc. (Subsidiary of Cades Digitech Private Limited)	Canada	51.10%	51.10%

The two wholly owned subsidiaries of Axis EU Limited namely, Data graphics Limited and Axis IT Solutions Limited are dormant and do not carry any business activities, these have been dissolved as on 17 May 2011.

- 2 The Company had paid ₹ 4,900,000 towards subscription for rights issue in Axis Cogent Global Limited during the previous year. During the current year, the Company has made balance payment of final call amounting to ₹ 100,000 towards allotment of 500,000 equity shares. The investment in Axis Cogent Global Limited aggregating to 25.67 % of its issued and paid capital has been carried at the cost in the consolidated financial statements in accordance with the Accounting Standards 13 "Accounting for Investments" issued by the Institute of Chartered Accountants of India (ICAI). The Company does not have any influence on the operation of Axis Cogent Global Limited and therefore have not accounted for the investments using the equity method as prescribed under Accounting Standard 23 "Accounting for Investments in Associates in Consolidated Financial Statements" issued by ICAI.

3 SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of consolidation

The consolidated financial statements include the financial statements of the Company, and its subsidiaries.

The financial statement are prepared in accordance with principles and procedures required for preparation and presentation of consolidated financial statements as laid down under the Accounting Standard 21 Consolidated Financial Statements. The consolidated financial statements have been combined on a line-by-line basis by adding the book values of like items of assets, liabilities, income and expenses after eliminating intra-group balances/transactions and unrealized profits in full. The amounts shown in respect of reserves comprise the amount of the relevant reserves as per the balance sheet of the Company and its share in the post-acquisition increase in the relevant reserves of the consolidated entities.

The surplus/deficit of cost to the Parent Company of its investment over its portion of net worth in the consolidated entities at the respective dates on which the investment in such entities was made is recognised in the financial statements as goodwill/capital reserve. The Parent Company's portion of net worth in such entities is determined on the basis of book values of assets and liabilities as per the financial statements of the entities as on the date of investment.

Minority interests represent that part of the net profit or loss and the net assets of subsidiaries that are not, directly or indirectly, owned or controlled by the Parent Company.

A change in the ownership interest of a subsidiary, without a loss of control is accounted for as an equity transaction.

The consolidated financial statements are prepared by applying uniform accounting policies in use at the Group.

(b) Basis of preparation of financial statements

The financial statements have been prepared to comply with the Accounting Standards referred to in the Companies (Accounting Standards) Rule 2006 issued by the Central Government in exercise of the power conferred under sub-

Notes to the consolidated financial statements for the year ended 31 March 2012 (Contd.)

section (l) (a) of Section 642 and the relevant provisions of the Companies Act, 1956 (the 'Act'). The financial statements have been prepared under the historical cost convention on accrual basis. The accounting policies have been consistently applied by the Group unless otherwise stated.

(c) Use of estimates

The preparation of financial statements in conformity with the principles generally accepted in India requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and the disclosure of contingent liabilities on the date of financial statements and the reported amounts of revenues and expenses during the reporting period. Examples of such estimates include percentage-of-completion which requires the Group to estimate the efforts expended to date as a proportion of total efforts to be expended, provisions for doubtful debts, future obligations under employee retirement benefit plans, useful lives of fixed assets and intangibles and carrying values of goodwill and other long lived assets.

Actual results could differ from those estimates. Any revision to accounting estimates is recognised prospectively in the current and future periods.

(d) Revenue recognition

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

'Unbilled revenues' represent revenues recognised on services rendered as per contractual terms, for which amounts are to be billed in subsequent periods. The related billings are expected to be performed as per milestones provided in the contracts.

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

Interest

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

Dividends

Dividend income is recognized when the company's right to receive dividend is established by the reporting date.

(e) Fixed assets

Tangible

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

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

Intangible

Intangible assets are recorded at the consideration paid for acquisition of such assets and are carried at cost less accumulated amortisation and impairment.

Intangibles under development

Intangibles under development represents cost incurred in creation of engineering design process manuals. The process manuals, on capitalisation, will be amortised over the estimated useful life of the asset of 5 years.

Notes to the consolidated financial statements for the year ended 31 March 2012 (Contd.)

(f) Depreciation and Amortization

Depreciation on fixed assets is provided on straight line basis over the estimated economic useful life based on the management's estimates of useful life, as follows:

Asset category	Depreciation rate
Computers	25% -33.33%
Furniture and fixtures	14.29%
Office equipments	14.29% - 33.33%
Office buildings	1.63%
Vehicles	20.00%
Electrical installations	14.29%
Computer Softwares	20.00% - 33.33%

Leasehold improvements are depreciated over the lease term or the useful life of the improvements whichever is shorter. Non-compete fee is amortised over the period of expected benefit. Goodwill on amalgamation is being amortised over the period of 5 years. Assets under capital lease are amortised over their estimated useful life or the lease term whichever is lower. Individual assets acquired for less than ₹ 5,000 each are fully depreciated in the month of purchase.

(g) Investments

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

(h) Employee benefits

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

Provident fund

The Company contributes to the statutory provident fund of the Regional Provident Fund Commissioner, in accordance with Employees provident fund and Miscellaneous Provision Act, 1952. The plan is a defined contribution plan and contribution paid or payable is recognised as an expense in the period in which the employee renders services.

Gratuity

Gratuity is a post-employment benefit and is a defined benefit plan. The liability recognised in the Balance Sheet represents the present value of the defined benefit obligation at the Balance Sheet date less the fair value of plan assets (if any), together with adjustments for past service costs. Independent actuaries using the projected unit credit method calculate the defined benefit obligation annually.

Actuarial gains or losses arising from experience adjustments and changes in actuarial assumptions are credited or charged to the Statement of Profit and Loss in the year in which such gains or losses arises.

Compensated absence

The Company also provides benefit of compensated absences under which unavailed leave are allowed to be accumulated to be availed in future. The scheme is considered as a long term benefit. The compensated absences comprises of vesting as well as non-vesting benefit and the liability is determined in accordance with the rules of the Company and is based on actuarial valuations made on projected unit method at the balance sheet date for the balance.

Overseas Social Security

The Group contributes to social security charges of countries to which the Group deutes its employees on employment. 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.

Notes to the consolidated financial statements for the year ended 31 March 2012 (Contd.)

Other short-term benefits

Expense in respect of other short-term benefits including performance bonus is recognized on the basis of amount paid or payable for the period during which the employees render services.

(i) Earnings per share

Basic earnings per share are calculated by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. The weighted average number of equity shares outstanding during the year is adjusted for events of bonus issue and share split.

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

(j) Leases

Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased assets are classified as operating leases. Operating lease payments are recognised as an expense in the profit and loss account on a straight-line basis over the of the lease term.

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

(k) Foreign currency transactions

Initial recognition

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

Conversion

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

Exchange differences

Exchange differences arising on the settlement of monetary items or on reporting Group's monetary items at rates different from those at which they were initially recorded during the year, or reported in previous consolidated financial statements, are recognised as income or as expenses in the year in which they arise except those arising from investments in non-integral operations

Translation of integral and non-integral foreign operation

The financial statements of an integral foreign operation are translated as if the transactions of the foreign operation have been those of the Group itself.

Exchange differences arising on a monetary item that, in substance, form part of Group's net investment in a non-integral foreign operation is accumulated in a foreign currency translation reserve in the financial statements until the disposal of the net investment, at which time they are recognised as income or as expenses.

Where there is a change in the classification of a foreign operation, the translation procedure applicable to the revised classification are applied from the date of the change in the classification.

(l) Derivative instruments and hedge accounting

Pursuant to the ICAI Announcement on accounting for derivatives and ability to early adopt Accounting Standard 30- "Financial Instruments: Recognition and Measurement" (AS 30), the Company has early adopted AS 30 with effect from 1

Notes to the consolidated financial statements for the year ended 31 March 2012 (Contd.)

April 2011, to the extent that the adoption does not conflict with existing mandatory accounting standards and other authoritative pronouncements, company law and other regulatory requirements. The Company uses foreign exchange forward contracts to hedge its exposure to movements in foreign exchange rates. These foreign exchange forward contracts are not used for trading or speculation purposes.

The accounting policies for forward contracts are based on whether they meet the criteria for designation as effective cash flow hedges. To designate a forward contract as an effective cash flow hedge, the Company objectively evaluates with appropriate supporting documentation at the inception of the each contract whether the contract is effective in achieving offsetting cash flows attributable to the hedged risk. Effective hedge is generally measured by comparing the cumulative change in the fair value of the hedge contract with a cumulative change in the fair value of the hedged item.

For forward contracts that are designated as effective cash flow hedges, the gain or loss from the effective portion of the hedge is recorded and reported directly in the shareholders' fund (under the head "Hedge Reserve") and are reclassified into the Statement of Profit and Loss upon the occurrence of the hedged transactions.

The Company recognises gains or losses from changes in fair values of forward contracts that are not designated as effective cash flow hedges for accounting purposes in the Statement of Profit and Loss in the period the fair value changes occur.

(m) Borrowing cost

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

(n) Cash and cash equivalents

Cash and cash equivalents for the purpose of cash flow statement comprises cash at bank and in hand and short-term investments with an original maturity of three months or less.

(o) Income taxes

Provision for tax includes current tax and deferred tax. Provision for current income tax is made on the assessable income at the tax rate applicable to the relevant assessment year.

Deferred income-taxes are recognised for the future tax consequences attributable to timing differences between the financial statement determination of income and their recognition for tax purposes. The effect on deferred tax assets and liabilities of change in tax rates is recognised in income using the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax assets are recognised and carried forward only to the extent that there is a reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. However, deferred tax arising from brought forward losses and depreciation are recognised only when there is virtual certainty supported by convincing evidence that such assets will be realised.

Deferred tax asset/ liability arising during the tax holiday period is not recognized to the extent it reverses within the tax holiday period.

Minimum Alternate Tax ('MAT') paid in accordance with the Indian tax laws, which gives rise to future economic benefits in the form of adjustment of future income-tax liability, is considered as an asset if there is convincing evidence that the entity will pay normal tax after the tax holiday period. Accordingly, it is recognised as an asset in the Balance Sheet when it is probable that the future economic benefit associated with it will flow to the entity and the asset can be measured reliably. The entity reviews the same at each Balance Sheet date and writes down the carrying amount of MAT credit entitlement to the extent there is no longer convincing evidence to the effect that entity will be able to utilise that credit during the specified period.

(p) Contingent liability and provisions

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

Notes to the consolidated financial statements for the year ended 31 March 2012 (Contd.)

Contingent assets are not recognised in the financial statements. However, contingent assets are assessed continually and if it is virtually certain that an inflow of economic benefits will arise, the asset and related income are recognised in the period in which the change occurs.

(q) Impairment of assets

The Group on an annual basis makes an assessment of any indicator that may lead to impairment of assets including goodwill. If any such indication exists, the Group estimates the recoverable amount of the assets. If such recoverable amount is less than the carrying amount, then the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is charged to the Statement of Profit and Loss. If at the Balance Sheet date there is an indication that a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount subject to a maximum of depreciated historical cost. In respect of goodwill the impairment loss is reversed only when it is caused by specific external events and their effects have been reversed by subsequent external events.

(r) Segment reporting

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

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

(s) Miscellaneous expenditure

Public issue expenses are amortised over a period of five years on pro-rata basis. However, if the equity offering is not probable or the offering is aborted, such costs will be expensed off in the year during which the offering is aborted or considered not probable.

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AXIS-IT&T LIMITED (Consolidated)

Notes to the consolidated financial statements for the year ended 31 March 2012 (Contd.)

	As at 31 March 2012		As at 31 March 2011	
	Number	₹	Number	₹
4 SHARE CAPITAL				
Authorised				
Equity shares of ₹ 5 each	72,000,000	360,000,000	72,000,000	360,000,000
Preference shares of ₹ 100 each	100,000	10,000,000	100,000	10,000,000
	72,100,000	370,000,000	72,100,000	370,000,000
Issued share capital				
Equity shares of ₹ 5 each fully paid up	20,011,581	100,057,905	20,011,581	100,057,905
Subscribed and paid up				
Equity shares of ₹ 5 each fully paid	19,960,481	99,802,405	19,960,481	99,802,405
Add: Forfeited shares (amount originally paid ₹ 3 per share on 51,100 equity shares)	–	153,300	–	153,300
	19,960,481	99,955,705	19,960,481	99,955,705

a. Reconciliation of the equity shares

	As at 31 March 2012		As at 31 March 2011	
	Number	₹	Number	₹
Balance at the beginning of the year	19,960,481	99,955,705	19,960,481	99,955,705
Add : Issued during the year	–	–	–	–
Balance at the end of the year	19,960,481	99,955,705	19,960,481	99,955,705

b. Terms and rights attached to equity shares

The Company has only one class of equity shares having a par value of ₹ 5 per share. Each equity share is entitled to one vote per share.

The dividend, if any, proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting shall be payable in Indian rupees. In the event of liquidation of the company, the shareholders will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

c. Shares held by the holding company

	As at 31 March 2012		As at 31 March 2011	
	Number	₹	Number	₹
Tayana Digital Private Limited	12,142,100	60,710,500	12,142,100	60,710,500

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

	As at 31 March 2012		As at 31 March 2011	
	Number	₹	Number	₹
(i) Yukti Securities Private Limited	1,172,208	5,861,040	1,172,208	5,861,040
(ii) Tayana Digital Private Limited	12,142,100	60,710,500	12,142,100	60,710,500
	13,314,308	66,571,540	13,314,308	66,571,540

e. Shares allotted as fully paid up by way of bonus shares (during five years immediately preceding 31 March 2012):

Year ended	31 March 2012	Thursday, March 31, 2011	Wednesday, March 31, 2010	Tuesday, March 31, 2009	Monday, March 31, 2008
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Number of equity shares	–	–	–	–	8,428,800
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The equity shares were allotted as fully paid up (face value ₹ 5 each) by capitalisation of the following reserves:

	Equivalent number of equity shares	Amount ₹
a) Securities premium account	1,096,820	5,484,100
b) General reserve	120,000	600,000
c) Profit and loss account	7,211,980	3,6059,900
	8,428,800	42,144,000

The subscribed and paid up equity share capital includes 4,202,200 (31 March 2011: 4,202,200) equity shares allotted as fully paid up under the scheme of amalgamation without payments been received.

AXIS-IT&T LIMITED (Consolidated)

Notes to the consolidated financial statements for the year ended 31 March 2012 (Contd.)

5 RESERVES AND SURPLUS	As at 31 March 2012 ₹	As at 31 March 2011 ₹
a. Securities premium account		
Balance at the beginning of the year	298,129,199	298,129,199
Add: premium on issue of equity shares	-	-
Balance at the end of the year	298,129,199	298,129,199
b. Unrealised surplus on dilution (Also, refer note (i) below)	155,677,539	155,677,539
c. Hedge Reserve		
Balance at the beginning of the year	-	-
Loss during the year	(15,304,810)	-
Balance at the end of the year	(15,304,810)	-
d. Translation Reserve	39,58,250	(1,46,00,757)
e. Surplus/(deficit) in the Statement of profit and loss		
Balance at the beginning of the year	(43,411,303)	(122,539,463)
Add : Transferred from Statement of Profit and Loss	122,197,757	89,851,794
Less: Minority interest	(1,585,524)	(10,723,634)
Balance at the end of the year	77,200,930	(43,411,303)
Total	519,661,108	395,794,678

(i) During the year ended 31 March, 2011, Cades, had made a preferential allotment of 2,741,935 equity shares raising ₹ 309,838,655 (net of issue expenses). Consequent to the issue of shares, the effective stake of the Parent Company in Cades has reduced to 51.1% from 60.44%. As a result of this dilution, the resultant surplus of ₹ 155,677,539 has been credited to "unrealised surplus on dilution" and is disclosed under reserves and surplus.

6 BORROWINGS	Long-term ₹	Short-term ₹	Long-term ₹	Short-term ₹
Secured				
Term loan	13,300,000	-	43,750,000	-
Less: Current maturities of long-term borrowings (Also, refer note 10)	(7,600,000)	-	(5,700,000)	-
Vehicle Loan	-	-	-	112,466
	5,700,000	-	38,050,000	112,466
Working capital loan				
– Packing credit in foreign currency from Bank	-	160,595,122	-	148,413,438
– Working capital loan from Bank	-	3,640,570	-	19,000,000
– Working capital loan from bank	-	113,857,897	-	12,814,550
	-	278,093,589	-	180,227,988
Unsecured				
Loan from a body corporate	115,000,000	-	129,000,000	-
Total borrowings	120,700,000	278,093,589	167,050,000	180,340,454
The borrowings includes:				
Secured borrowings	13,300,000	278,093,589	43,750,000	180,340,454
Unsecured borrowings	115,000,000	-	129,000,000	-

AXIS-IT&T LIMITED (Consolidated)

Notes to the consolidated financial statements for the year ended 31 March 2012 (Contd.)

(a) Details of security and terms of repayment of borrowings

(i) Axis-IT&T Limited

Term loan and Working capital borrowings (inclusive of packing credit facility in foreign currency) from bank are secured by first exclusive charge on current assets and equitable mortgage on land and building of the Company situated at D-30, Sector 3, Noida and by a corporate guarantee from Axis Aerospace and Technologies Limited. Packing credit in foreign currency from bank bearing an interest rate of 3% - 6% are repayable over maximum tenure of 180 days from the date of respective availment. Term loans having an interest rate of Yes Bank base rate plus 5% have been repaid during the year.

Loan from a body corporate bearing an interest rate of 8% to 10% is secured by demand promissory note. The loan together with interest thereon are repayable after a tenure of three years from the date of availment.

(ii) Cades Digitech Private Limited

Term loans and packing credit facility from bank are secured by first exclusive charge on both moveable and immoveable assets, current assets and by corporate guarantees from Axis-IT&T Limited and Axis Aerospace and Technologies Limited.

Packing credit in foreign currency from bank bearing an interest rate of 3% - 6% are repayable over maximum tenure of 180 days from the date of respective availment. Term loans having an interest rate of Yes Bank base rate plus 5% are repayable from September 2011 over 10 equal quarterly instalments.

(iii) Axis Inc.

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

(b) Disclosure in respect of finance lease

The lease payments are determined on the basis of the lease agreements entered into with the constituents and the future lease commitments are given below:

Particulars	As at 31 March 2012		As at 31 March 2011	
	Minimum payments	Present value of MLP	Minimum payments	Present value of MLP
Payable not later than 1 year	-	-	83,900	83,900
Payable later than 1 year not later than five years	-	-	-	-
Payable later than five years	-	-	-	-
	-	-	83,900	83,900
Less : Amounts representing interest	-	-	(989)	(989)
	-	-	82,911	82,911

7 EMPLOYEE BENEFIT OBLIGATION

a) Defined contribution plan

The Company makes contribution of statutory provident fund as per Employees Provident Fund and Miscellaneous Provision Act, 1952. This is a defined contribution plan as per AS 15. Contribution made during the year ended 31 March 2012 is ₹ 19,179,852 (31 March 2011 : ₹ 15,646,614).

b) Social security

The Company makes contribution towards social security charges for its employees located at the branch office in respective foreign geographies which is a defined contribution plan. Contributions paid or payable is recognised as an expenses in the period in which the employee renders services in respective foreign geographies. Contribution made during the year ended 31 March 2012 is ₹ 25,921,536 (31 March 2011 : ₹ 13,706,920).

8 PROVISIONS

	As at 31 March 2012		As at 31 March 2011	
	Long-term ₹	Short Term ₹	Long-term ₹	Short Term ₹
Provision for employee benefits				
Gratuity (Also, refer note (a) below)	11,300,862	626,628	11,132,717	722,020
Compensated absences	6,463,527	948,449	5,045,967	623,843
	17,764,389	1,575,077	16,178,684	1,345,863
Other provisions				
Fringe benefit tax, net of advance taxes	129,445	-	129,445	-
Provision for minimum alternate tax	-	1,65,13,568	-	1,293,515
Current overseas tax, net of advance tax	-	2,332,914	3,176,122	-
	129,445	18,846,482	3,305,567	1,293,515
	17,893,834	20,421,559	19,484,251	2,639,378

AXIS-IT&T LIMITED (Consolidated)

Notes to the consolidated financial statements for the year ended 31 March 2012 (Contd.)

a) Gratuity

The Company has provided for the gratuity liability (defined benefit plan), for its Indian employees as per actuarial valuation carried out by an independent actuary on the Balance Sheet date.

	Year ended 31 March 2012	Year ended 31 March 2011
	₹	₹
Changes in the present value of the defined benefit obligation are as follows:		
Defined benefit obligation at the beginning of the year	10,489,568	12,019,175
Current service cost	3,651,569	3,231,082
Interest cost	813,090	663,291
Benefits paid	(2,493,063)	(2,340,617)
Actuarial gains	(533,674)	(3,083,363)
Defined benefit obligation at the end of the year	11,927,490	10,489,568
Components of net gratuity costs are		
Current service cost	3,651,569	3,231,082
Interest on defined benefit obligation	813,090	663,291
Net actuarial gains	(533,674)	(3,083,363)
Expenses recognised in the Statement of Profit and Loss for the year	3,930,985	811,010
Amount recognised in the Balance Sheet are as follows		
Present value of unfunded obligations as at the end of the year	11,927,490	10,489,568
Net liability recognised in the Balance sheet	11,927,490	10,489,568

b) The principal assumptions used in determining gratuity and compensated absence obligations for the company's plans are shown below:

Discount rate	8.50%	8.00%
Salary escalation rate	5.00%-6.50%	5.00%-6.00%
Retirement age	58-60 Years	58-60 Years

9 TRADE PAYABLES

	Year ended 31 March 2012	Year ended 31 March 2011
	₹	₹
Sundry creditors	164,055,452	78,136,851
Accrued expenses	7,396,120	26,554,208
	171,451,572	104,691,059

10 OTHER CURRENT LIABILITIES

	Year ended 31 March 2012	Year ended 31 March 2011
	₹	₹
Duties and taxes payable	64,966,872	71,122,308
Advances from customers	2,156,603	1,353,293
Unearned revenue	-	2,541,413
Other liabilities	3,921,318	741,988
Current maturities of long-term borrowings (Also refer note 6)	7,600,000	5,700,000
Hedge liability	15,304,810	-
Dues to employees	66,337,974	72,446,315
Book overdraft	63,073	78,904
	160,350,650	153,984,221

Notes to the consolidated financial statements for the year ended 31 March 2012 (Contd.)

11 TANGIBLE ASSETS	Computers	Furniture & fixtures	Office equipments	Electrical installations	Land freeholds	Office building	Vehicles	Total
	(Amount in ₹)							
Gross block								
Balance as at 1 April 2010	69,519,701	20,854,844	26,522,392	2,059,794	2,264,437	16,581,724	1,756,331	139,559,223
Additions	5,940,360	2,590,444	1,964,674	-	-	-	-	10,495,478
Disposals	-	-	(171,400)	-	-	-	-	(171,400)
Other adjustments	61,039	133,159	-	-	-	-	-	194,198
Balance as at 31 March 2011	75,521,100	23,578,447	28,315,666	2,059,794	2,264,437	16,581,724	1,756,331	150,077,499
Additions	16,466,589	1,940,159	5,983,339	-	-	-	-	24,390,087
Other adjustments	2,120,591	703,412	2,588,883	-	-	-	-	5,412,886
Balance as at 31 March 2012	94,108,280	26,222,018	36,887,888	2,059,794	2,264,437	16,581,724	1,756,331	179,880,472
Accumulated depreciation								
Balance as at 1 April 2010	57,750,403	17,168,747	22,177,164	2,021,223	-	2,498,337	640,941	102,256,815
Charge for the year	7,006,538	1,837,767	734,935	12,930	-	270,282	351,266	10,213,718
Other adjustments	265,186	128,946	(155,735)	-	-	-	-	238,397
Balance as at 31 March 2011	65,022,127	19,135,460	22,756,364	2,034,153	-	2,768,619	992,207	112,708,930
Charge for the year	8,898,102	2,541,005	2,746,748	16,963	-	271,023	352,228	14,826,069
Other adjustments	978,960	250,607	3,156,493	-	-	-	-	4,386,060
Balance as at 31 March 2012	74,899,189	21,927,072	28,659,605	2,051,116	-	3,039,642	1,344,435	131,921,059
Net block								
At 31 March 2011	10,498,973	4,442,987	5,559,302	25,641	2,264,437	13,813,105	764,124	37,368,569
At 31 March 2012	19,209,091	4,294,946	8,228,283	8,678	2,264,437	13,542,082	411,896	47,959,413

AXIS-IT&T LIMITED (Consolidated)

Notes to the consolidated financial statements for the year ended 31 March 2012 (Contd.)

12 INTANGIBLE ASSETS

(Amount in ₹)

Gross block	Non compete fee	Softwares	Goodwill on amalgamation	Total
Balance as at 1 April 2010	1,971,000	164,194,886	16,445,348	182,611,234
Additions	–	48,793,071	–	48,793,071
Other adjustments	–	(240,482)	–	(240,482)
Balance as at 31 March 2011	1,971,000	212,747,475	16,445,348	231,163,823
Additions	–	66,208,246	–	66,208,246
Other adjustments	–	3,156,469	–	3,156,469
Balance as at 31 March 2012	1,971,000	282,112,190	16,445,348	300,528,538
Accumulated amortisation				
Balance as at 1 April 2010	1,971,000	130,563,254	15,508,797	148,043,051
Charge for the year	–	26,299,724	936,551	27,236,275
Other adjustments	–	(238,542)	–	(238,542)
Balance as at 31 March 2011	1,971,000	156,624,436	16,445,348	175,040,784
Charge for the year	–	44,337,749	–	44,337,749
Other adjustments	–	3,148,355	–	3,148,355
Balance as at 31 March 2012	1,971,000	204,110,540	16,445,348	222,526,888
Net block				
At 31 March 2011	–	56,123,039	–	56,123,039
At 31 March 2012	–	78,001,650	–	78,001,650

13 NON CURRENT INVESTMENTS

(Unquoted, Valued at cost unless stated otherwise)	As at 31 March 2012 ₹	As at 31 March 2011 ₹
Trade		
Investments in equity instruments		
In associates	–	340
Non-trade		
Investments in equity instruments		
Axis Cogent Global Limited 946,822 (31 March 2011 - 446,822) equity shares of ₹ 10 each fully paid up	10,913,660	10,813,660
Datum Technology Limited 50,000 (31 March 2011 - 50,000) equity shares of ₹ 10 each	500,000	500,000
Less : Provision for diminution in the value of long term investments	(500,000)	(500,000)
Other investments		
Investment in government securities	5,000	5,000
	10,918,660	10,819,000

AXIS-IT&T LIMITED (Consolidated)

Notes to the consolidated financial statements for the year ended 31 March 2012 (Contd.)

14 DEFERRED TAX	As at 31 March 2012 ₹	As at 31 March 2011 ₹
Deferred tax liabilities		
Timing difference on depreciation	1,501,057	1,273,980
Total	1,501,057	1,273,980
Deferred tax assets		
Provision for doubtful trade receivables	353,436	–
Provision for employee benefits	842,991	2,166,551
Provision for variable pay	1,992,153	–
Other timing differences	–	368,551
Total	3,188,580	2,535,102
Net deferred tax asset	1,687,523	1,261,122
15 TRADE RECEIVABLES (Unsecured)		
Outstanding for a period exceeding six months from the date they are due for payment		
Considered good	3,486,095	–
Doubtful	67,218,829	59,544,353
	70,704,924	59,544,353
Other debts		
Considered good	678,873,666	518,293,673
	749,578,590	577,838,026
Less : Allowances for doubtful debts	(67,218,829)	(59,544,353)
	682,359,761	518,293,673
16 CASH AND BANK BALANCES		
Cash and cash equivalents		
Cash on hand	62,627	134,347
Balances with banks:		
– in current accounts	8,108,409	43,339,114
– in exchange earner's foreign currency accounts	1,686,374	377,208
Deposits with original maturity of less than three months	1,499	360,939
	9,796,282	44,077,261
Other bank balances		
Deposits with original maturity for more than 12 months *	492,539	466,133
Deposits with maturity more than 3 months but less than 12 months **	41,397,982	122,230,268
	41,890,521	122,696,401
Less : Amounts disclosed as other non-current assets (Also refer note 18)	(492,539)	(466,133)
	41,397,982	122,230,268
	51,256,891	166,441,876

* Out of the total fixed deposit balance, a fixed deposit amounting to ₹ 128,871 (31 March 2011: ₹ 128,871) is in the name of Axis Computers Private Limited (a Company which was merged into the Company in earlier years) and a fixed deposit amounting to ₹ 351,168 (31 March 2011: ₹ 295,912) is in the name of IT & T Limited (the erstwhile name of the Company).

** Fixed deposits of a carrying amount ₹ 30,000,000 (31 March 2011: ₹ 119,434,000) have been deposited as margin money at 20% against the packing credit facility loan availed from the Yes Bank. Deposits of a carrying amount ₹ 1,397,982 (31 March 2011: ₹ 2,781,036) have been deposited as bank guarantee towards lien on customs department and various customers.

AXIS-IT&T LIMITED (Consolidated)

Notes to the consolidated financial statements for the year ended 31 March 2012 (Contd.)

17 LOANS AND ADVANCES

	As at 31 March 2012		As at 31 March 2012	
	Long-term ₹	Short-term ₹	Long-term ₹	Short-term ₹
Security deposit				
Unsecured, considered good	47,364,110	8,584,640	95,054,227	1,138,072
Doubtful	24,945,920	-	-	-
	<u>72,310,030</u>	<u>8,584,640</u>	<u>95,054,227</u>	<u>1,138,072</u>
Allowances for doubtful advances	(24,945,920)	-	(24,945,920)	-
	<u>47,364,110</u>	<u>8,584,640</u>	<u>70,108,307</u>	<u>1,138,072</u>
Other loans and advances				
(Unsecured, considered good)				
Advance income-tax (net of provision for taxation)	67,150,246	-	54,852,272	-
MAT credit entitlement	15,875,711	-	1,293,515	-
Service tax input credit	12,844,992	13,055,280	11,277,993	12,719,707
Overseas VAT input credit	-	8,312,823	-	-
Prepaid expenses	-	25,055,317	-	12,033,454
Advances to employees	-	3,164,625	-	4,927,075
Advances recoverable in cash or in kind	-	5,177,492	-	10,142,421
Recoverable from customer	-	875,237	-	291,323
Supplier advances	-	927,571	-	123,392
	<u>95,870,949</u>	<u>56,568,345</u>	<u>67,423,780</u>	<u>40,237,372</u>
Allowances for doubtful recoverable	(1,448,725)	-	(1,448,725)	-
	<u>94,422,224</u>	<u>56,568,345</u>	<u>65,975,055</u>	<u>40,237,372</u>
	<u>141,786,334</u>	<u>65,152,985</u>	<u>136,083,362</u>	<u>41,375,444</u>

18 OTHER ASSETS

	As at 31 March 2012		As at 31 March 2012	
	Non-Current ₹	Current ₹	Non-Current ₹	Current ₹
Unbilled revenue	-	126,553,728	-	56,060,283
Interest accrued	-	3,388,600	-	1,968,393
Miscellaneous expenses to the extent not written-off	1,038,000	-	1,557,000	-
Bank deposits with maturity of more than 12 months (Also refer note 16)	492,539	-	466,133	-
	<u>1,530,539</u>	<u>129,942,328</u>	<u>2,023,133</u>	<u>58,028,676</u>

19 REVENUE FROM OPERATIONS as at

	Year ended 31 March 2012 ₹	Year ended 31 March 2012 ₹
Engineering design services	2,285,866,754	1,612,376,211
Software development services	-	30,115,538
	<u>2,285,866,754</u>	<u>1,642,491,749</u>

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AXIS-IT&T LIMITED (Consolidated)

Notes to the consolidated financial statements for the year ended 31 March 2012 (Contd.)

	Year ended 31 March 2012 ₹	Year ended 31 March 2011 ₹
20 OTHER INCOME		
Corporate guarantee fee	8,250,000	–
Interest income		
– from non-current investments	163,896	117,598
– from current investments	8,491,221	3,882,701
– income-tax refund	1,629,685	947,408
Miscellaneous income	209,690	1,140,747
Liability no longer required, written back	–	1,419,859
	18,744,492	7,508,313
21 EMPLOYEE BENEFIT EXPENSES		
Salaries, wages and bonus	1,488,214,600	1,038,932,575
Contribution to provident fund	21,868,001	15,014,650
Overseas employee benefits	25,921,536	13,706,920
Staff welfare expense	13,145,499	12,111,559
Gratuity (Also, refer note 8(a))	3,930,985	1,977,245
Compensated absences	2,839,585	2,788,786
	1,555,920,206	1,084,531,735
22 OTHER EXPENSES		
Rent	81,904,840	66,336,836
Electricity charges	16,890,526	14,446,892
Travelling and conveyance	98,068,270	57,468,919
Repairs and maintenance		
– Building	15,409,086	11,347,326
– Others	3,143,262	5,911,276
Recruitment and training expenses	14,939,261	7,800,133
Communication expenses	16,875,721	12,895,847
Equipment hire charges	64,704,760	40,220,875
Legal and professional charges	40,269,892	43,777,894
Management fees	18,224,381	10,028,622
Printing and stationery	2,427,633	2,410,645
Security charges	2,434,228	2,193,194
Rates and taxes	7,108,236	4,725,999
Direct project expenses	65,689,655	47,051,443
Software subscription charges	24,299,035	6,929,215
Directors sitting fees	806,500	215,000
Sales commission	5,659,574	2,706,428
Advertising expenses	17,155,256	46,613,161
Insurance expenses	3,277,744	1,195,776
Postage and courier charges	1,514,016	861,806
Foreign exchange loss, net	686,886	2,322,771
Miscellaneous expenses	2,181,635	8,286,843
	503,670,397	395,746,901

AXIS-IT&T LIMITED (Consolidated)

Notes to the consolidated financial statements for the year ended 31 March 2012 (Contd.)

	Year ended 31 March 2012	Year ended 31 March 2011
	₹	₹
23 FINANCE COSTS		
Interest on loans		
– term loan	17,313,470	19,065,672
– working capital loans	1,297,427	1,811,819
– others	9,489,921	8,246,295
Processing fees and bank charges	4,376,656	4,622,434
	3,24,77,474	3,37,46,220
24 DEPRECIATION AND AMORTISATION EXPENSE		
Depreciation of tangible assets (Also, refer note 11)	14,826,069	10,213,718
Amortisation of intangible assets (Also, refer note 12)	44,337,749	27,236,275
	59,163,818	37,449,993
25 CONTINGENT LIABILITIES AND COMMITMENTS		
Estimated amount of contracts remaining to be executed not provided for (net of advances)	24,923,873	1,315,818
Corporate guarantee provided by the Company to YES Bank Limited for loans availed by Axis Aerospace & Technologies Limited, the intermediate parent company.	825,000,000	–
Order passed against the Company by a consumer forum, Lucknow, against which the Company had filed a revised petition.	–	225,600
Counter guarantee provided to YES Bank Limited against guarantee availed by Axis Aerospace & Technologies Limited.	150,000,000	150,000,000
	999,923,873	151,541,418
26 EARNINGS PER SHARE (BASIC AND DILUTED)		
a) Profit after tax attributable to equity shares	120,612,233	79,128,160
b) Weighted average number of shares outstanding	19,960,481	19,960,481
c) Nominal value of shares	5.00	5.00
d) Basic and diluted earning per share	6.04	3.96

27 RELATED PARTY DISCLOSURES

i. Parties where control exists :

Nature of relationship

Name of party

Holding company information

The Company is a subsidiary of Tayana Digital Private Limited (demerged from Tayana Software Solutions Private Limited) which is a subsidiary of Axis Aerospace & Technologies Limited. ('AATL', formerly known as Jupiter Strategic Technologies Private Limited'). AATL, a venture funded by Jupiter Capital Private Limited ('JCPL'), is a subsidiary of the JCPL.

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

Subsidiary Company

Axis Inc.
Axis E.U. Limited
Cades Digitech Private Limited
Cades Technology Canada Inc.

iii. Key Management Personnel :

Chairman and CEO

Mr. S Ravinarayanan

Notes to the consolidated financial statements for the year ended 31 March 2012 (Contd.)

iv. Transactions with the related parties :

Nature of transactions	Intermediate Holding company		Subsidiary/Fellow subsidiary		Key management		Total	
	31 March 2012	31 March 2011	31 March 2012	31 March 2011	31 March 2012	31 March 2011	31 March 2012	31 March 2011
Management fees charges Axis Aerospace & Technologies Limited	1,73,53,238	2,19,18,944	-	-	-	-	1,73,53,238	2,19,18,944
Engineering services income Axis Aerospace & Technologies Limited	-	1,252,573	-	-	-	-	-	1,252,573
Recovery of expenses Axis Aerospace & Technologies Limited	31,263,761	8,904,425	-	-	-	-	31,263,761	8,904,425
Corporate guarantee fee income Axis Aerospace & Technologies Limited	8,250,000	-	-	-	-	-	8,250,000	-
Rent deposit Hindusthan Infrastructure Projects & Engineering Private Limited	-	-	-	2,250,000	-	-	-	2,250,000
Interest on unsecured loans Asianet TV Holdings Private Limited Axis Aerospace & Technologies Limited	9,476,537	8,347,391	-	10,356,164	-	-	9,476,537	10,356,164 8,347,391
Unsecured loan availed Axis Aerospace & Technologies Limited	119,000,000	67,300,000	-	-	-	-	119,000,000	67,300,000
Unsecured loan repaid Asianet TV Holdings Private Limited Axis Aerospace & Technologies Limited	133,000,000	36,300,000	-	175,000,000	-	-	133,000,000	- 175,000,000 36,300,000
Remuneration Mr. S. Ravinarayanan	-	-	-	-	2,016,000	2,016,000	2,016,000	2,016,000
Rent Hindusthan Infrastructure Projects & Engineering Private Limited	-	-	3,626,924	3,603,504	-	-	3,626,924	3,603,504
Inter corporate deposit extended Axis Aerospace & Technologies Limited	38,000,000	29,500,000	-	-	-	-	38,000,000	29,500,000
Inter corporate deposit repaid Axis Aerospace & Technologies Limited	65,250,000	2,250,000	-	-	-	-	65,250,000	2,250,000
Interest income on Inter corporate deposit Axis Aerospace & Technologies Limited	1,316,816	77,826	-	-	-	-	1,316,816	77,826

Notes to the consolidated financial statements for the year ended 31 March 2012 (Contd.)

iv. Transactions with the related parties (Contd.) :

Nature of Transactions	Intermediate holding company		Subsidiary/ Fellow subsidiary		Key management personnel		Total	
	31 March 2012	31 March 2011	31 March 2012	31 March 2011	31 March 2012	31 March 2011	31 March 2012	31 March 2011
Corporate guarantee given Axis Aerospace & Technologies Limited	-	-	215,800,000	215,800,000	-	-	215,800,000	215,800,000
Corporate guarantee taken Axis Aerospace & Technologies Limited	-	-	825,000,000	-	-	-	825,000,000	-

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AXIS-IT&T LIMITED (Consolidated)

Notes to the consolidated financial statements for the year ended 31 March 2012 (Contd.)

v. Balances as at year end :

(Amount in .)

Nature of Transactions	Subsidiary/ Fellow subsidiary		Intermediate holding company	
	31 March 2012	31 March 2011	31 March 2012	31 March 2011
Loan outstanding				
Axis Aerospace & Technologies Limited	-	-	115,000,000	129,000,000
Intercompany deposit extended				
Axis Aerospace & Technologies Limited	-	-	-	27,250,000
Rent deposit				
Hindusthan Infrastructure Projects & Engineering Private Limited	2,250,000	2,250,000	-	-
Trade receivables				
Axis Aerospace & Technologies Limited	-	-	9,099,750	-
Rent payable				
Hindusthan Infrastructure Projects & Engineering Private Limited	654,034	2,432,362	-	-
Interest receivable on intercompany deposit				
Axis Aerospace & Technologies Limited	-	-	-	77,826
Interest payable				
Axis Aerospace & Technologies Limited	-	-	851,479	862,383
Management fees payable				
Axis Aerospace & Technologies Limited	-	-	1,840,709	1,485,401
Expenses recoverable				
Axis Aerospace & Technologies Limited	-	-	40,998,962	9,821,581
Corporate guarantee given				
Axis Aerospace & Technologies Limited	-	-	215,800,000	215,800,000
Corporate guarantee taken				
Axis Aerospace & Technologies Limited	-	-	825,000,000	-

28 OPERATING LEASES

The Group has entered into cancellable and non-cancellable operating lease agreements for its Office premises.

The lease expenses for cancellable and non-cancellable operating leases during the year ended 31 March 2012 was ₹ 81,904,840 (31 March 2011 - ₹ 66,336,836)

The details of lease commitments in terms of minimum lease payments within the non-cancellable period are as follows:

Payments falling due:	As at 31 March 2012 ₹	As at 31 March 2011 ₹
Not later than one year	42,347,053	21,219,395
Later than one year but not later than 5 years	73,759,910	14,671,499
Later than 5 years	-	-
	116,106,963	35,890,894

The Company's significant leasing arrangements in respect of operating leases for office premises, which includes both cancellable and non cancellable leases and range between 11 months and 3 years generally and are usually renewable by mutual consent on mutually agreeable terms. The aggregate lease rentals payable are charged as Rent under Note 22 to the financial statements.

Notes to the consolidated financial statements for the year ended 31 March 2012 (Contd.)

29 Segment reporting

The Company has only one business segment viz. engineering design services. Hence no further disclosures are required other than those already made in financial statements.

Secondary segment reporting based on the location of the Company's customers is as detailed below.

Particulars	Asia Pacific		Europe		USA		Others		Total	
	31 March 2012	31 March 2011	31 March 2012	31 March 2011	31 March 2012	31 March 2011	31 March 2012	31 March 2011	31 March 2012	31 March 2011
	Revenue									
External sales	362,316,968	615,887,637	694,207,032	224,436,152	1,229,342,738	802,167,960	-	-	2,285,866,738	1,642,491,749
Total revenue	362,316,968	615,887,637	694,207,032	224,436,152	1,229,342,738	802,167,960	-	-	2,285,866,738	1,642,491,749
Other information										
Segment assets	261,387,321	368,179,264	331,773,981	330,496,311	341,305,018	251,441,168	62,188,209	44,534,572	996,654,529	994,651,315
Total assets	261,387,321	368,179,264	331,773,981	330,496,311	341,305,018	251,441,168	62,188,209	44,534,572	996,654,529	994,651,315
Capital expenditure	5,363,050	57,429,813	86,621,476	1,220,012	17,144,798	421,040	65,280,233	33,346,015	174,409,556	92,416,880

30 TRANSFER PRICING

The Company is required to use certain specified methods in computing arm's length price of international transactions between the associated enterprises and maintain prescribed information and documents relating to such transactions. The appropriate method to be adopted will depend on the nature of transactions / class of transactions, class of associated persons, functions performed and other factors, which have been prescribed. The Company is in the process of updating the Transfer Pricing documentation for the financial year ending 31 March 2012 following a detailed transfer pricing study conducted for the financial year ended 31 March 2011. In the opinion of the management, the same would not have an impact on these financial statements. Accordingly, these financial statements do not include the effect of the transfer pricing implications, if any.

31 As at 31 March 2012 trade receivables include a sum of ₹ 67,218,829 (31 March 2011 : ₹ 59,544,353) receivable outstanding for more than 365 days. In this regard the Company has filed for extension with its Authorised Dealer as per the required provisions of Foreign Exchange Management Act,1999.

32 TAXES ON INCOME

In accordance with Accounting Standard 22 "Accounting of Taxes on Income" issued by the Institute of Chartered Accountants of India, deferred tax asset on carried forward losses has not been accounted in the books, since there is no virtual certainty supported by convincing evidence that these losses will be utilised.

33 DERIVATIVE INSTRUMENTS AND UNHEDGED FOREIGN CURRENCY EXPOSURE

Pursuant to the adoption of As 30 with effect from 1 April 2011, the loss on fair valuation on forward contracts, which qualify as effective cashflow hedges amount to ₹ 15,304,810 has been recognised in the hedge reserve account. The impact of the adoption of AS 30 did not have any material impact on the opening reserves of the Company.

AXIS-IT&T LIMITED (Consolidated)

a) The following are the outstanding derivatives contracts entered into by the Group:

31 March 2012

Category	Currency	Buy / Sell	Amount	Purpose
Forward contracts	USD	Sell	3,840,227	Hedging

b) The Company's unhedged foreign currency exposures not hedged are as follows:

Particulars		31 March 2012			31 March 2011		
Included in	Currency	Coverision rate	Amount in foreign currency	Amount in Rs.	Coverision rate	Amount in foreign currency	Amount in ₹
Trade receivables	USD	51.16	1,671,306	85,498,165	44.65	3,126,305	139,589,518
	GBP	81.80	112,551	9,206,582	71.93	81,549	5,865,820
	EURO	68.34	675,698	46,177,404	63.24	2,877,656	181,982,965
Trade payables	USD	51.16	133,549	6,831,925	44.65	68,497	3,058,391
	EURO	68.34	1,019,429	69,668,085	63.24	811,547	51,322,232
	GBP	81.80	3,157	258,240	71.93	5,457	392,522
	JPY	0.62	100,000	62,430	0.54	100,000	54,020
	KRW	0.04	1,377,790	61,910	–	–	–
Salary payable	EURO	68.34	255,826	17,483,226	63.24	143,726	9,089,232
	USD	51.16	18,530	947,930	44.65	33,987	1,517,520
	GBP	81.80	–	–	71.93	953	68,549
	JPY	0.62	482,731	301,369	0.54	481,189	259,938
PCFC loans	EUR	68.34	100,000	6,834,030	63.24	1,526,000	96,504,240
	USD	51.16	3,005,700	153,761,092	44.65	1,162,580	51,909,197

34 SUMMARISED STATEMENT OF FINANCIALS OF SUBSIDIARY COMPANIES

(Amount in ₹)

Particulars	Axis EU Limited	Axis Inc.	Cades	Cades Canada
Share capital	47,073,476	114,960,268	177,419,350	4,596
Reserves and surplus	(22,942,472)	47,856,191	160,718,31	1,819,102
Total assets	47,810,320	386,515,468	696,369,055	16,882,117
Total liabilities	23,679,317	223,699,009	358,231,393	15,058,418
Details of investment (except investment in subsidiaries)	–	–	5,000	–
Revenue from operations	59,147,213	1,151,763,685	801,130,190	35,173,677
Profit before tax	5,442,103	66,416,588	7,855,871	1,513,785
Tax expense	–	24,842,863	5,816,436	310,839
Profit after tax	5,442,103	41,573,725	2,039,435	1,202,945

35 The Board of Directors ('the Board') of the Company at their meeting held on 12 September 2011 have approved a Scheme of Arrangement for the merger of Cades Digitech Private Limited, a subsidiary of Axis-IT&T Limited ('the Company'), Tayana Digital Pvt. Ltd. (parent of the Company) and other entities into Axis Aerospace & Technologies Limited ('AAT') subject to necessary approvals. The Board has also approved a Scheme of Arrangement for the subsequent merger of the Company into AAT subject to necessary approvals. The requisite steps for these activities are under process as at 31 March 2012.

36 PREVIOUS YEAR FIGURES

The financial statements for the year ended 31 March 2011 had been prepared as per the then applicable, pre-revised Schedule VI to the Companies Act, 1956. Consequent to the notification of Revised Schedule VI under the Companies Act, 1956, the financial statements for the year ended 31 March 2012 are prepared as per Revised Schedule VI. Accordingly, the previous year figures have also been reclassified to conform to this year's classification.

For and on behalf of the Board of Directors

-Sd-

Kedar Nath Choudhury

Director

Noida

28 May 2012

-Sd-

Pradeep Dadlani

Director

-Sd-

Shweta Agrawal

Company Secretary

AXIS-IT&T LIMITED

Registered Office : A-264, Second Floor, Defence Colony, New Delhi - 110024

DP id*	
Client Id*	

PROXY FORM

Proxy No.

Regd. Folio No No. of shares held

I/We of.....

in the district ofbeing a

Member/Members of the above named Company hereby appoint

.....of.....

.....in the direct of.....of failing him/her

.....of.....

in the district of.....

as my/our proxy to vote for me/us on my/our behalf at the 22nd Annual General Meeting of the Company to be held on Thursday, the 20th September, 2012 at 11.30 a.m. in LakshmiPat Singhania Auditorium at the PHD Chambers of Commerce and Industry, PHD House, Ground Floor, 4/2, Sirifort Road, New Delhi 110016 and at any adjournment thereof

Signed thisday of.....2012

Signature.....

Re I
Revenue
Stamp

*Applicable for investors holding shares in electronic form

NOTE: This form in order to be effective should be duly stamped, completed and signed and must be deposited at the Registered Office of the Company, not less than 48 hours before scheduled time of the meeting. The Proxy need not be a member of the Company.

AXIS-IT&T LIMITED

Registered Office : A-264, Second Floor, Defence Colony, New Delhi - 110024

DP id*	
Client Id*	

ATTENDANCE SLIP

To be handed over at the entrance of the Meeting Hall

Name of the attending Member (In Block Letters)	Regd. Folio No.
Name of Proxy (In Block Letters) (To be filled in if the Proxy attends instead of the Member)	Number of Shares held

I hereby record my presence at the 22nd Annual General Meeting of the Company being held in LakshmiPat Singhania Auditorium at the PHD Chambers of Commerce and Industry, PHD House, Ground Floor, 4/2, Sirifort Road, New Delhi 110016 Thursday, the 20th September, 2012 at 11.30 a.m.

.....
Member's/Proxy's Signature
(To be signed at the time of handing over this slip)

- NOTE:
- Members/Proxy holders are requested to bring the Attendance Slip with them duly filled in when they come to the meeting and hand over at the entrance. No attendance slip will be issued at the times of the meeting.
 - Member/Proxy holders desiring to attend the meeting should bring their copy of the Annual Report for reference at the meeting.
 - Members please be informed that the company shall adhere to its policy of no gift at the Annual General Meeting.
 - Please note that only members and proxy holder shall be allowed to attend the Annual General Meeting. Children and Guest shall not be allowed.

* Applicable for investors holding shares in electronic form



Dignitaries during the inauguration of CADES UTSAV 2012 , Bangalore



Employees' actively participating in different programs organized under CADES UTSAV 2012, Bangalore



axis-IT&T
We Engineer Your Thoughts

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