

From Engineering Design to Engineering Solutions,  
our hallmark remains the same.

**Great performance.**



ANNUAL REPORT 2012-2013  
AXIS-IT&T LIMITED



**axis-IT&T**  
We Engineer Your Thoughts

## BOARD OF DIRECTORS



**MR. S. RAVINARAYANAN**  
CHAIRMAN & CEO



**MR. PRADEEP DADLANI**  
INDEPENDENT DIRECTOR



**MR. ROHITASAVA CHAND**  
NON-EXECUTIVE DIRECTOR



**MR. KAILASH M. RUSTAGI**  
INDEPENDENT DIRECTOR



**MR. KEDAR NATH CHOUDHURY**  
NON-EXECUTIVE DIRECTOR



**MR. P. HEMANTH POLAVARAM**  
INDEPENDENT DIRECTOR

**CONTENTS**

NOTICE	3
DIRECTOR'S REPORT	6
DIRECTOR'S RESPONSIBILITY STATEMENT	11
STATEMENT OF INTEREST IN SUBSIDIARIES	12
REPORT ON CORPORATE GOVERNANCE	14
MANAGEMENT, DISCUSSION AND ANALYSIS OF FINANCIALS	25
RISK MANAGEMENT	26
AUDITOR'S CERTIFICATE ON CORPORATE GOVERNANCE	29
AUDITOR'S REPORT	30
BALANCE SHEET	34
PROFIT & LOSS ACCOUNT	35
CASH FLOW STATEMENT	36
SCHEDULES	37
CONSOLIDATED FINANCIAL STATEMENT	55
PROXY FORM	
ATTENDANCE SLIP	

**COMPANY SECRETARY & COMPLIANCE OFFICER**

MRS. SHWETA AGRAWAL

**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.  
Plot No. 38,  
Block H1-A,  
Sector-63,  
Noida-201301, India

**AUDITORS**

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

**NOTICE**

NOTICE is hereby given that the Twenty Third Annual General Meeting of the members of AXIS-IT&T Limited will be held at Lakshmiapat Singhania Auditorium, PHD Chambers of Commerce & Industry, PHD House, Ground Floor, 4/2, Sri Fort Road, New Delhi – 110016 on Monday the 29th day of July, 2013 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, 2013 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. Rohitasava Chand, who retires by rotation and, being eligible offers himself for re-appointment.
3. To appoint a Director in place of Mr. P. Hemanth Polavaram, 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.”

**SPECIAL BUSINESS**

5. **To consider, and if thought fit, to pass with or without modification(s) the following resolution as a Special Resolution:**

**“RESOLVED** that pursuant to the provisions of Sections 198, 269, 310 and 311 read with the provisions of Schedule XIII of the Companies Act, 1956 in this regard, Mr. S Ravinarayanan, Director be and is hereby appointed as the Chairman & Chief Executive Officer of the Company with effect from 1st April, 2013 for a period of 3 (three) years at a basic remuneration of Rs. 1,50,000 (Rupees One Lakh Fifty Thousand only) per month with an increase upto 25% each year, subject to the provisions of Schedule XIII of the Companies Act, 1956, on such other terms as the Board deems fit.

**RESOLVED** further that Mr. S. Ravinarayanan will also be entitled for the following:

- a) Company’s contribution of 12% of salary to Provident Fund.
- b) Gratuity payable 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.

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

-sd-

Place: New Delhi  
Date: 30 May 2013

**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 1st July 2013 till 29th July 2013 (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. Rohitasava Chand has over forty years of experience in the IT Services Industry. He has a B. Tech from IIT Delhi and an MBA from the Katz Graduate School of Business, University of Pittsburgh, USA. He started his career in software development in 1970 in the U.S. and later moved to India to head the information technology division of Computronics India. In 1985, Mr. Rohitasava Chand ventured out on his own and through a series of acquisitions and mergers created I.I.S. Infotech Ltd., one of India's foremost software companies, of which he was the Executive Chairman. IIS was bought over by the FI Group Plc. (now Xansa Plc.), which is a UK-based multinational and Mr. Chand exited the company. Thereafter, Mr. Chand co-founded Infinity Venture Fund which had a corpus of US\$ 40 million and bought a significant stake in IT&T and contributed to its growth and diversification. Mr. Rohitasava Chand is a recipient of the I.I.T. Delhi Alumni award for outstanding contribution to national development.

Mr. Hemanth Polavaram is a qualified Chartered Accountant from the Institute of Chartered Accountants of India and qualified Company Secretary from the Institute of Company Secretaries of India. He was awarded the prestigious V. Kumar Memorial Award for scoring the highest marks in the Institute of Company Secretaries' tax law examinations and is also a national rank holder in the company secretary examinations. He holds a Graduate in Law Degree and Honors Degree in Commerce, both from Osmania University in Hyderabad, India. He has over sixteen years of experience structuring business models for public companies, cross-border mergers and acquisitions, setting up joint ventures between US and Indian companies and providing audit and management consultancy services.

**Attendance record of the Directors seeking re-election (1.4.2012 to 31.3.2013)****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. Rohitasava Chand	6	6	Absent
Mr. P. Hemanth Polavaram	6	5	Present

**At the Audit Committee Meeting**

Name of the Director	No. of Held	No. of Meetings attended in person
Mr. Rohitasava Chand	4	NA
Mr. P. Hemanth Polavaram	4	4

**EXPLANATORY STATEMENT**

As required by section 173 of the Companies Act, 1956, the following explanatory statement sets out all the materials facts relating to the business mentioned in the accompanying notice dated 30th May 2013.

**Item no. 5**

The term of Mr. S. Ravinarayanan as CEO ended on 31st day of March, 2013. Taking into consideration his valuable contribution to the company & the recommendation of the Remuneration Committee and the Board's approval thereon Mr. S. Ravinarayanan was reappointed as Chairman & CEO of the Company, subject to the approval of the shareholders, with effect from 1st April 2013, for a period of 3 (three) years.

A brief profile & particulars of Mr. S. Ravinarayanan is as under:

Mr. S. Ravinarayanan has a B. E. (Electrical & Electronics) qualification. He has served on the Board of Directors of Air India Limited and Indian Airlines Limited for a 3 year tenure starting from April 1997. During his tenure, he was part of several board sub-committees including fleet expansion, yield, IT, etc. He served as a Director of KPTCL since July 2004 and also as the Chairman of the Audit Committee of KPTCL. He has done pioneering work in private participation in defence research & contributed a lot in the areas of avionics development and testing between 1989 and 1998 especially for LCA and Sukhoi programmes. He is an aerospace professional with over 25 years of experience in the aerospace industry as a technocrat, entrepreneur and consultant. He has served on Government boards, established private companies and hence understands the public private participation issues.

The company is currently profitable and has made a Net profit of Rs. 7.40 crores during the year 2012-13 on a standalone basis and has adequate profits.

In compliance with the requirements of the Act, the terms of appointment and remuneration specified above are now placed before the members in the General Meeting for their approval.

This explanation together with the accompanying notice, is and should be treated as an abstract under the Section 302 of the Companies Act, 1956 in respect of the remuneration of Mr. S. Ravinarayanan, CEO.

Your Directors are of the view that the Company would be immensely benefited by the varied experience and expert guidance of Mr. S. Ravinarayanan and therefore recommend for approval, the Resolution contained in Item No. 5 of the Notice convening the Annual General Meeting.

None of the Directors are interested in the resolution except for Mr. S. Ravinarayanan.

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

-Sd-

**Shweta Agrawal**  
Company Secretary

Place: New Delhi  
Date : 30 May 2013

**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 2013.

**1. Financial Results**

Rs.Crores

Year ended March 31	Axis-IT&T Ltd.		Consolidated for the Group	
	2013	2012	2013	2012
Total income	54.77	48.22	286.70	230.46
Total expenditure (before interest & depreciation)	41.36	37.51	260.08	205.96
Profit / (Loss) before interest, depreciation, amortization and extra ordinary items	13.41	10.72	26.62	24.50
Interest & other finance charges	1.30	1.84	3.91	3.25
Depreciation & amortization	2.39	1.27	7.73	5.92
Profit/ (Loss) before Tax and Extraordinary Items	9.71	7.61	14.98	15.34
Profit/ (Loss) before Tax	9.71	7.61	14.98	15.34
Provision for Tax – Current & Deferred	2.31	0.02	0.36	3.12
Profit / (Loss) after Tax	7.40	7.59	14.62	12.22
Minority Interests	-	--	2.55	0.16
Profit/ (Loss) Brought Forward after adjusting amount transferred on Amalgamation	(6.55)	(14.14)	7.72	(4.34)
Balance Available for appropriation	0.85	(6.55)	19.79	7.72

Your company has shown, on a consolidated basis, growth of **24.40%** in revenue and **19.66%** in profit after 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 to redeploy all internal accruals for the expansion of the business.

**3. Transfer to Reserves**

No Reserve has been created during the year.

**4. Business Activities**

During the year the Company continued to stay 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., expanded on the business relationship with one of the world's largest aircraft manufacturers based out of Europe. This relationship had been initiated in the previous year and we expect this business to show continuous growth. Cades has opened an office in Toulouse, France to build near shore engagement with the customer. Cades has also been able to enhance its existing engagement with a Germany based global leader for aircraft structures and aircraft manufacturing systems.

Further, on 8th February, 2013, Cades Digitech Pvt. Ltd. entered into a strategic partnership agreement proposing to acquire 76% stake in Studec Technologies India Pvt. Ltd., the Indian subsidiary of French engineering company Studec France, which specialises in Documentation Engineering and Publications.

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 setup a subsidiary in China under the name of Axis Mechanical Engineering Design (WUXI) Co Ltd. as step to explore and pursue business opportunities in other geographies.

The Company, under clause 24(f) of the Listing Agreement had filed an application with NSE & BSE seeking their approval for the proposed Scheme of Arrangement between Axis-IT&T Limited and Axis Aerospace & Technologies Limited (and their respective shareholders) which was not approved by the respective stock exchanges and therefore, the Board of Directors ('the Board') of your Company at their meeting held on 06th of November 2012 have approved the withdrawal of Scheme of Arrangement (which was originally approved by the Board at their meeting held on 12th September, 2011)

The Board of Directors ('the Board') of the Company at their meeting held on 23rd January 2013 approved the proposed Scheme of Arrangement where Cades Digitech Private Limited (Cades) will be merged with Axis-IT&T Limited (Axis) subject to the approval of requisite majority of the shareholders' and creditors of Cades and Axis and Honb'le High Courts of Karnataka and Delhi and also necessary statutory and regulatory approvals as applicable.

### **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.

Axis Mechanical Engineering Design (Wuxi) Co Ltd.

The company has formed a Wholly Owned subsidiary in China on 7th December, 2012.

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 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](http://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 B' 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. 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.

There is an Employment agreement entered into with Mr. S. Ravinarayanan for reappointing him as the Chairman & CEO of the company for a period of 3 years w.e.f. 1st April 2013. As per the said agreement the Company/SRN may, at its/his sole option, terminate this Agreement with sixty (60) days' written notice.

In the absence of Mr. KM Rustagi from the Annual General Meeting held on 20th September 2012, Mr. Hemanth Polavaram, Independent Director and member of the Audit Committee & qualified Chartered Accountant, answered the queries of Shareholders raised during the AGM.

**7. Group**

Promoter and Promoter Group for the purpose of inter se transfers as mentioned in Clause 10 (1) (a) (ii) of the **SECURITIES AND EXCHANGE BOARD OF INDIA (SUBSTANTIAL ACQUISITION OF SHARES AND TAKEOVERS) REGULATIONS, 2011** shall comprise of the entities mentioned in Annexure C and "promoter" and the "promoter group" has the same meaning as in the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009.

**8. 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.

**9. Directors**

During the year under review there is no change in the Directors of the company except that Mr. S. Ravinaryanan was reappointed as the Chairman & CEO of the company w.e.f 1st April 2013.

**10. 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.

**11. 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:

**1. 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.

**2. 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.

**3. 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	31.03.2013 (Rs Crores)	31.03.2012 (Rs Crores)
1.	Foreign Exchange Earnings (accrual basis)	25.90	23.99
2.	Foreign Exchange Outgo (Including Capital Goods & Spares)	1.66	1.87
3.	Deemed Exports	26.91	21.75

**12. 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 & regulatory bodies across the globe, the Software Technology Park, Noida, Hyderabad & Bangalore 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: New Delhi

Date: 30 May 2013

**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, 2013 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, 2013 on 'going concern' basis.

For and on behalf of the Directors

-sd-  
**Pradeep Dadlani**  
Director

-sd-  
**Kedar Nath Choudhury**  
Director

Place: New Delhi

Date: 30 May 2013

**ANNEXURE B TO DIRECTORS' REPORT**

**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 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 H)	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.	31.03.2013	19,725	100	72.62 Lacs	Nil	415.75 Lacs	Nil
AXIS EU Ltd. (All shares held by AXIS Inc.)	31.03.2013	5,75,476	100	144.16 Lacs	Nil	54.42 Lacs	Nil
Cades Digitech Pvt. Ltd.	31.03.2013	90,67,000	51.10	217.98 Lacs	Nil	10.42 Lacs	Nil
Cades Technology Canada Inc. (All shares are held by Cades Digitech Pvt. Ltd.)	31.03.2013	100	51.10	48.83 Lacs	Nil	6.15 lacs	Nil
Axis Mechanical Engineering Design Wuxi Co. Ltd.	31.03.2013	*	100	(9.68) Lacs	NA	NA	NA

\* The paid-in capital of the Company is RMB 2,37,176.

For and on behalf of the Directors

-sd-  
Pradeep Dadlani  
Director

-sd-  
Kedar Nath Choudhury  
Director

Place: New Delhi

Date: 30 May 2013

**ANNEXURE C TO DIRECTORS' REPORT**

Promoter and Promoter Group Entities

1. Jupiter Capital Pvt. Ltd.
2. Axis Aerospace & Technologies Ltd.
3. Tayana Digital Pvt. Ltd.
4. Jupiter Aviation Services Pvt. Ltd.
5. Indian Aero Ventures Pvt. Ltd.
6. Cades Digitech Pvt. Ltd.
7. Indian Aero Infrastructure Pvt. Ltd.
8. 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. Effective corporate governance practices constitute the strong foundation. The Company has a strong legacy of fair, transparent and ethical governance practices. 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 2013, 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:

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

\*\* Mr. S. Ravinarayanan was reappointed as Chairman and CEO w.e.f 1st April, 2013 on the expiry of his term of appointment on 31.03.2013.

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

The non-executive directors were entitled to a sitting fee of Rs. 15,000/- till the Board Meeting dated 07.08.2012 wherein it was decided to increase the sitting fee to Rs. 20,000/- 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 2012-2013, six Board meetings were held at the following dates:

Sl. No.	Board Meeting Dates
1.	28 May 2012
2.	7 August 2012
3.	6 November 2012
4.	23 January 2013
5.	12 February 2013
6.	28 March 2013

**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](http://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
- VI. Restructuring 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 2013 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 28 May 2012, 7 August 2012, 6 November 2012 and 12 February 2013.

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 2013:

- 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 2012, 7 August 2012, 6 November 2012 and 12 February 2013.

## **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 2013

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

The Committee is responsible for ensuring that the Investor Grievance is being addressed properly and on time. The committee meetings are generally chaired by Mr. K.M. Rustagi. The Committee met on 28 May 2012, 7 August 2012, 6 November 2012 and 12 February 2013.

There was 1 complaint received during the year which was resolved satisfactorily in time.

## **IV. Remuneration Committee**

As of 31 March 2013, the Remuneration Committee comprises of the following Directors:

- Mr. K.M. Rustagi
- Mr. Rohitasava Chand
- Mr. Pradeep Dadlani
- Mr. Kedar Nath Choudhury
- Mr. P Hemanth Polavaram
- Ms. Shweta Agrawal Compliance officer/Secretary

There was one meeting of the Remuneration Committee held on 28th March 2013 during the year ended 31 March 2013.

**V. Finance Review Committee**

As of 31 March 2013, the Finance Review Committee consisted of:

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

There was no meeting of the Finance Review Committee during the year ended 31 March 2013.

**VI. Restructuring Committee**

The Restructuring Committee was constituted with the following members for the purpose of considering various methods of restructuring in close cooperation with the independent professional findings and recommending the most feasible option to the Board for review:

- Mr. Pradeep Dadlani                      Chairman  
 Mr. Rohitasava Chand  
 Mr. K. M. Rustagi  
 Ms. Shweta Agrawal                      Compliance Officer/Secretary

The Committee met on 30 November 2012, 26 December, 2012.

**Particulars of General Meeting**

The particulars of the last three Annual General Meetings are:

<b>Nature of meeting</b>	<b>Date and time</b>	<b>Venue of the meeting</b>	<b>Special Resolutions passed</b>
Annual General Meeting	August 27, 2010 3.30 p.m.	Lakshmipat Singhanian Auditorium, PHD Chambers of Commerce & Industry, PHD House, Ground Floor, 4/2, Sri Fort Road, P.O. Box – 130, New Delhi – 110016	Appointment of Mr. S. Ravinarayanan as CEO of the company and approval of his remuneration.
Annual General Meeting	August 1, 2011; 2.30 p.m.	Lakshmipat Singhanian Auditorium, PHD Chambers of Commerce & Industry, PHD House, Ground Floor, 4/2, Sri Fort Road, P.O. Box – 130, New Delhi – 110016	NIL
Annual General Meeting	September 20, 2012; 11.30 a.m.	Lakshmipat Singhanian Auditorium, PHD Chambers of Commerce & Industry, PHD House, Ground Floor, 4/2, Sri Fort Road, P.O. Box – 130, New Delhi – 110016	NIL

- (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 2012 to 31 March 2013**

Name of the Director	Board	Share Transfer Committee	Audit Committee	Investor Grievances Committee	Finance Review Committee	Remuneration Committee	Restructring Committee	Attendance at AGM
	[6]	[4]	[4]	[4]	[0]	[1]	[2]	
Mr. S. Ravinarayanan	1	NA	NA	NA	N.A.	N.A.	NA	Absent
Mr. Rohitasava Chand	6	4	NA	4	N.A.	1	1	Absent
Mr. K.M. Rustagi	5	4	4	4	N.A.	N.A.	1	Absent
Mr. Pradeep Dadlani	6	4	4	4	N.A.	1	1	Present
Mr. Kedar Nath Choudhury	6	4	4	4	N.A.	1	NA	Present
Mr. P. Hemanth Polavaram	5	4	4	4	N.A.	N.A.	NA	Present

**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. 15,000/- till the Board Meeting dated 07.08.2012 wherein it was decided to increase the sitting fee to Rs. 20,000/- 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 2013.

### **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 4 foreign subsidiaries which are as under:

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

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.

Axis Mechanical Engineering Design (Wuxi) Co. Ltd. in China.

### **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](http://www.axisitt.com).

**N. General Shareholder Information**

## a) AGM

Date : 29th July 2013

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 2012-2013

c) Date of Book Closure 1st July 2013 till 29th July 2013 (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 – 400001National 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&amp;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, 2012	89.45	80.05	89.90	80.00
May, 2012	94.50	73.50	95.00	74.10
June, 2012	83.20	67.80	85.00	71.25
July, 2012	92.50	69.00	92.80	72.30
August, 2012	109.30	72.70	108.90	74.15
September, 2012	101.80	81.00	95.25	83.50
October, 2012	94.50	74.60	95.50	77.00
November, 2012	82.50	62.00	82.95	68.00
December, 2012	74.85	63.50	76.50	63.50
January, 2013	84.65	65.00	84.40	65.15
February, 2013	69.70	54.00	68.90	54.10
March, 2013	63.80	42.75	63.45	41.60

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 2013 :

No. of shares	Holding	% to Capital	No. of accounts	% to total accounts
1-5000	9,19,070	4.60	5403	91.41
5001-10000	3,12,891	1.57	204	3.45
10001-20000	3,94,328	1.98	135	2.28
20001-30000	1,91,187	0.96	38	0.64
30001-40000	1,64,370	0.82	23	0.39
40001-50000	2,75,092	1.38	29	0.49
50001-100000	6,01,553	3.01	43	0.73
100001 and above	1,71,01,990	85.68	36	0.61
<b>Grand Total</b>	<b>1,99,60,481</b>	<b>100.00</b>	<b>5911</b>	<b>100.00</b>

ii. Categories of Shareholders as on 31 March 2013

Category	No. of shares	Percentage
Promoters Group – Indian	1,21,42,100	60.83%
Indian Public	49,07,782	24.58%
Bodies Corporate	28,42,467	14.24%
NRIs/ OCBs/ Foreign Nationals	53,139	0.27%
Others	14,993	0.08%
<b>Total</b>	<b>1,99,60,481</b>	<b>100.00%</b>

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 2013, the position of Dematerialization is as follow:

	No. of Shares	% of Total Issue Capital
Held in Dematerialized form in CDSL	33,59,908	16.83%
Held in Dematerialized form in NSDL	1,63,66,014	81.99%
Held in Physical form	2,34,559	1.18%
<b>Total</b>	<b>1,99,60,481</b>	<b>100.00%</b>

m) Outstanding GDRs/ADRs/Warrants or any Convertible Instruments, conversion date and likely impact on equity:  
As on 31 March 2013, 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**

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: New Delhi

Date: 30 May 2013

**Annexure-DETAILS OF OTHER DIRECTORSHIPS HELD**

<b>Name of the Director</b>	<b>No. of other Directorship*/ Committee Memberships</b>	<b>Directorship</b>	<b>Committee Membership</b>
Mr. S. Ravinarayanan	1/0	Cades Digitech Private Limited	—
Mr. Rohitasava Chand	5/7	Cyber Media Limited	Audit Committee Remuneration Committee
		Cades Digitech Private Limited	Audit Committee Remuneration Committee
		Khandwala Securities Limited	Compensation Committee Shareholders Committee
		British Motor Car Co. Limited Saboo Coatings Limited	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	Audit Committee Remuneration Committee
		Axis Aerospace & Technologies Ltd.	
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 2013	31 March 2012
Land	22.64	22.64
Buildings	132.72	135.42
Computer Systems	146.89	22.03
Furniture Fixtures	30.69	34.76
Office Equipment	27.66	28.12
Vehicles	0.61	4.12
Electrical Installations	—	0.09
Intangible Assets	382.59	217.04
Goodwill on Amalgamation	—	—
Leasehold Improvements	10.84	—

**3. Investment**

The Company had invested in Axis Mechanical Engineering Design (Wuxi) Co. Ltd., a company incorporated in China by remitting \$37800 to make it as wholly owned subsidiary.

**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 ensures 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: New Delhi

Date: 30 May 2013

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

To,  
The Shareholders,  
Axis-IT&T Ltd.

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 2013.

**S. Ravinarayanan**  
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 2013 as stipulated in clause 49 of the Listing Agreement of the said Company with the said 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 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 of our information and according to the explanation given to us, and the representation 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, except that the Chairman of the Audit Committee was not present at the Annual General Meeting held on 20 September 2012.

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

-sd-

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

New Delhi  
30 May 2013

---

**Independent Auditors' Report****To the Members of Axis-IT&T Limited****Report on the Financial Statements**

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

**Management's Responsibility for the Financial Statements**

2. Management is responsible for the preparation of these financial statements, that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

**Auditors' Responsibility**

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

**Opinion**

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

**Report on Other Legal and Regulatory Requirements**

7. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
8. As required by Section 227(3) of the Act, 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 purpose 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. in our opinion, the financial statements comply with the Accounting Standards referred to in sub-section (3C) of Section 211 of the Act; and
- e. on the basis of written representations received from the directors, as on 31 March 2013 and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2013 from being appointed as a director in terms of clause (g) of sub-section (1) of Section 274 of the Act.

For **Walker, Chandio & Co.**  
Chartered Accountants  
Firm Registration No.: 001076N

-sd-

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

New Delhi  
30 May 2013

---

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 2013.

---

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 program 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) The Company is regular in depositing 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, with the appropriate authorities. Further, 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 become 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 has no accumulated losses at the end of the financial year and it has not incurred cash losses in the current and the immediately preceding financial year.
- (xi) The Company has not defaulted in repayment of dues to any bank. The Company has no dues payable to a financial institution or debenture-holders 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 loans taken by others from banks or financial institutions are not, *prima facie*, prejudicial to the interest of the Company.
- (xvi) The Company did not have any term loans outstanding during the year. Accordingly, the provisions of clause 4(xvi) of the Order are not applicable.
- (xvii) In our opinion, no funds raised on short-term basis have been used for long-term investment by the Company.
- (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, Chandiok & Co.**  
Chartered Accountants  
Firm Registration No.: 001076N

-sd-

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

New Delhi  
30 May 2013







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

## 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 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 doubtful debts, employee benefits, estimation of revenue, deferred taxes 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*

Tangible assets are carried at the cost less accumulated depreciation and impairment losses. The cost of tangible 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 tangible assets outstanding at each Balance Sheet date are disclosed as other non-current assets and the cost of tangible 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.

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

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

Asset category	Depreciation rate
Computers	33.33%
Furniture and fixtures	14.29%
Office equipments	14.29%
Electrical installations	14.29%
Leasehold improvements	Period of the lease
Office buildings	1.63%
Vehicles	20.00%
Softwares	33.33%

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

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 charged to the Statement of Profit and Loss. If at the Balance Sheet date there is an indication that if a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount subject to a maximum of depreciated historical cost.

**(f) Investments**

Investments that are readily realisable and intended to be held for not more than 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 the long-term investments.

**(g) Foreign currency transactions**

*Initial recognition*

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.

*Conversion*

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

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

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 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 cost**

Borrowing cost directly attributable to the acquisition, construction or production of qualifying assets are capitalised as part of assets. Other borrowing 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.

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

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.

*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 2013 (Cont'd)**

	As at 31 March 2013		As at 31 March 2012	
	Number	₹	Number	₹
<b>2 SHARE CAPITAL</b>				
<b>Authorised</b>				
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
	<b>72,100,000</b>	<b>370,000,000</b>	<b>72,100,000</b>	<b>370,000,000</b>
<b>Issued share capital</b>				
Equity shares of ₹ 5 each fully paid up	20,011,581	100,057,905	20,011,581	100,057,905
<b>Subscribed and paid up</b>				
Equity shares of ₹ 5 each fully paid	19,960,481	99,802,405	19,960,481	99,802,405
<b>Add:</b> Forfeited shares (amount originally paid ₹ 3 per share on 51,100 equity shares)		153,300		153,300
	<b>19,960,481</b>	<b>99,955,705</b>	<b>19,960,481</b>	<b>99,955,705</b>
<b>a. Reconciliation of the equity shares</b>				
	<b>As at 31 March 2013</b>		<b>As at 31 March 2012</b>	
	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	—	—	—	—
<b>Balance at the end of the year</b>	<b>19,960,481</b>	<b>99,955,705</b>	<b>19,960,481</b>	<b>99,955,705</b>
<b>b. Terms and rights attached to equity shares</b>				
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 company declares and pays dividends in Indian Rupees.				
The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting. In the event of liquidation of the company, the 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.				
<b>c. Shares held by the holding company</b>				
	<b>As at 31 March 2013</b>		<b>As at 31 March 2012</b>	
	Number	₹	Number	₹
Tayana Digital Private Limited	12,142,100	60,710,500	12,142,100	60,710,500
<b>d. Details of shareholders holding more than 5% shares in the company</b>				
	<b>As at 31 March 2013</b>		<b>As at 31 March 2012</b>	
	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
	<b>13,314,308</b>	<b>66,571,540</b>	<b>13,314,308</b>	<b>66,571,540</b>
<b>e. Shares issued for consideration other than cash :</b>				
There has been no issue of shares for consideration other than cash during the 5 years immediately preceding 31 March 2013.				

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

<b>3 RESERVES AND SURPLUS</b>	<b>As at 31 March 2013</b>	<b>As at 31 March 2012</b>
	<b>₹</b>	<b>₹</b>
<b>Securities premium account</b>		
Balance at the beginning of the year	298,129,199	298,129,199
Add: premium on issue of shares	—	—
<b>Balance at the end of the year</b>	<b>298,129,199</b>	<b>298,129,199</b>
<b>Surplus in the statement of profit and loss</b>		
Balance at the beginning of the year	(65,545,283)	(141,404,617)
Add : Net profit for the year	74,017,796	75,859,334
<b>Balance at the end of the year</b>	<b>8,472,513</b>	<b>(65,545,283)</b>
<b>Hedge reserve</b>		
Balance at the beginning of the year	(7,163,655)	—
Movement during the year	7,163,655	(7,163,655)
<b>Balance at the end of the year</b>	<b>—</b>	<b>(7,163,655)</b>
<b>Total</b>	<b>306,601,712</b>	<b>225,420,261</b>

**4 BORROWINGS**

	<b>As at 31 March 2013</b>		<b>As at 31 March 2012</b>	
	<b>Long-term</b>	<b>Short-term</b>	<b>Long-term</b>	<b>Short-term</b>
	<b>₹</b>	<b>₹</b>	<b>₹</b>	<b>₹</b>
<b>Secured</b>				
Working capital loan	—	45,785,250	—	30,852,397
<b>Unsecured</b>				
Intercompany deposit	—	—	115,000,000	—
<b>Total</b>	<b>—</b>	<b>45,785,250</b>	<b>115,000,000</b>	<b>30,852,397</b>

**(a) Details of security for borrowings**

Working capital borrowings includes packing credit facility in foreign currency (PCFC) from banks which 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.

Intercompany deposit 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.

Intercompany deposit bearing an interest rate of 10.5% are repayable over a maximum tenure of three years from the date of availment.

(This space has been intentionally left blank)

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

5 PROVISIONS	As at 31 March 2013		As at 31 March 2012	
	Long-term ₹	Short-term ₹	Long-term ₹	Short-term ₹
<b>Provision for employee benefits</b>				
Gratuity (Also, refer note 6(a) below)	6,863,556	174,616	4,744,164	46,785
Compensated absences	4,339,696	228,229	3,061,011	137,089
	<b>11,203,252</b>	<b>402,845</b>	<b>7,805,175</b>	<b>183,874</b>
<b>Other provisions</b>				
Provision for minimum alternate tax	—	—	—	16,513,568
	—	—	—	<b>16,513,568</b>
	<b>11,203,252</b>	<b>402,845</b>	<b>7,805,175</b>	<b>16,697,442</b>

**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 2013 ₹	Year ended 31 March 2012 ₹
<b>Changes in the present value of the defined benefit obligation are as follows:</b>		
Defined benefit obligation at the beginning of the year	4,790,949	3,513,678
Current service cost	2,439,206	1,981,140
Interest cost	383,276	298,663
Benefits Paid	(34,788)	(645,436)
Actuarial gains	(540,471)	(357,096)
Defined benefit obligation at the end of the year	<b>7,038,172</b>	<b>4,790,949</b>
<b>Components of net gratuity costs are</b>		
Current service cost	2,439,206	1,981,140
Interest on defined benefit obligation	383,276	298,663
Net actuarial gains recognised in year	(540,471)	(357,096)
Expenses recognised in the Statement of Profit and Loss for the year	<b>2,282,011</b>	<b>1,922,707</b>
<b>Amounts recognised in the Balance Sheet are as follows</b>		
Present value of unfunded obligations as at the end of the year	7,038,172	4,790,949
Net liability recognised in the Balance Sheet	<b>7,038,172</b>	<b>4,790,949</b>

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

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

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

**c) 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 2013 is ₹ 9,869,184 (31 March 2012 : ₹ 8,004,781).

**7 TRADE PAYABLES**

	As at 31 March 2013 ₹	As at 31 March 2012 ₹
Dues to micro and small enterprises (Also, refer note (a) below)	—	—
Dues to others	27,637,045	20,511,886
	<b>27,637,045</b>	<b>20,511,886</b>

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 2013 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**

Duties and taxes payable	4,956,073	5,295,065
Advance from Customers	625,574	—
Dues to employees	18,880,420	16,517,227
Accrued expenses	9,184,400	8,457,641
Hedge liability	—	7,163,655
	<b>33,646,467</b>	<b>37,433,588</b>

(This space has been intentionally left blank.)

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

9 TANGIBLE ASSETS	(Amount in ₹)								
	Computers	Furniture and fixtures	Office equipments	Electrical installations	Leasehold improvements	Freehold land	Office building	Vehicles	Total
<b>Gross block</b>									
Balance as at 1 April 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
<b>Balance as at 31 March 2012</b>	<b>18,722,084</b>	<b>10,326,787</b>	<b>7,732,505</b>	<b>2,059,794</b>	<b>—</b>	<b>2,264,437</b>	<b>16,581,724</b>	<b>1,756,330</b>	<b>59,443,661</b>
Additions	19,009,879	570,308	715,469	—	1,414,400	—	—	—	21,710,056
<b>Balance as at 31 March 2013</b>	<b>37,731,963</b>	<b>10,897,095</b>	<b>8,447,974</b>	<b>2,059,794</b>	<b>1,414,400</b>	<b>2,264,437</b>	<b>16,581,724</b>	<b>1,756,330</b>	<b>81,153,717</b>
<b>Accumulated depreciation</b>									
Balance as at 1 April 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
<b>Balance as at 31 March 2012</b>	<b>16,518,272</b>	<b>6,850,318</b>	<b>4,919,997</b>	<b>2,051,117</b>	<b>—</b>	<b>—</b>	<b>3,039,642</b>	<b>1,344,434</b>	<b>34,723,780</b>
Charge for the year	6,524,344	978,171	762,200	8,677	330,380	—	270,282	351,266	9,225,320
<b>Balance as at 31 March 2013</b>	<b>23,042,616</b>	<b>7,828,489</b>	<b>5,682,197</b>	<b>2,059,794</b>	<b>330,380</b>	<b>—</b>	<b>3,309,924</b>	<b>1,695,700</b>	<b>43,949,100</b>
<b>Net Block</b>									
<b>At 31 March 2012</b>	<b>2,203,812</b>	<b>3,476,469</b>	<b>2,812,508</b>	<b>8,677</b>	<b>—</b>	<b>2,264,437</b>	<b>13,542,082</b>	<b>411,896</b>	<b>24,719,881</b>
<b>At 31 March 2013</b>	<b>14,689,347</b>	<b>3,068,606</b>	<b>2,765,777</b>	<b>—</b>	<b>1,084,020</b>	<b>2,264,437</b>	<b>13,271,800</b>	<b>60,630</b>	<b>37,204,617</b>

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

10 INTANGIBLE ASSETS	(Amount in ₹)			
	Non compete fees	Softwares	Goodwill	Total
<b>Gross block</b>				
Balance as at 1 April 2011	1,971,000	31,984,725	16,445,348	50,401,073
Additions	—	14,895,934	—	14,895,934
<b>Balance as at 31 March 2012</b>	<b>1,971,000</b>	<b>46,880,659</b>	<b>16,445,348</b>	<b>65,297,007</b>
Additions	—	31,262,142	—	31,262,142
<b>Balance as at 31 March 2013</b>	<b>1,971,000</b>	<b>78,142,801</b>	<b>16,445,348</b>	<b>96,559,149</b>
<b>Accumulated amortisation</b>				
Balance as at 1 April 2011	1,971,000	17,242,969	16,445,348	35,659,317
Charge for the year	—	7,933,354	—	7,933,354
<b>Balance as at 31 March 2012</b>	<b>1,971,000</b>	<b>25,176,323</b>	<b>16,445,348</b>	<b>43,592,671</b>
Charge for the year	—	14,707,131	—	14,707,131
<b>Balance as at 31 March 2013</b>	<b>1,971,000</b>	<b>39,883,454</b>	<b>16,445,348</b>	<b>58,299,802</b>
<b>Net Block</b>				
At 31 March 2012	—	21,704,336	—	21,704,336
At 31 March 2013	—	<b>38,259,347</b>	—	<b>38,259,347</b>

**11 NON-CURRENT INVESTMENTS**

	As at	As at
	31 March 2013	31 March 2012
	₹	₹

(Unquoted, valued at cost unless stated otherwise)

**Trade**

**Investments in equity instruments**

**In subsidiaries**

Axis Inc., U.S.A. 19,725 (31 March 2012 : 19,725) equity shares	148,906,359	148,906,359
--	-------------	-------------

Cades Digitech Private Limited 9,067,000 (31 March 2012 : 9,067,000) equity shares of ₹ 10 each fully paid up	105,847,435	105,847,435
--	-------------	-------------

Axis Mechanical Engineering Design (Wuxi) Co., Ltd.,	2,068,035	—
--	-----------	---

**Other Investments**

Axis Cogent Global Limited 946,822 (31 March 2012 : 946,822) equity shares of ₹ 10 each fully paid up	10,913,658	10,913,658
--	------------	------------

Datum Technology Limited 50,000 (31 March 2012 : 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)
---	-----------	-----------

	<b>267,735,487</b>	<b>265,667,452</b>
--	--------------------	--------------------

**12 TRADE RECEIVABLES**

(Unsecured)

Outstanding for a period exceeding six months from the date they are due for payment		
Considered good	652,206	3,486,095
Doubtful	1,089,339	1,089,339
	<b>1,741,545</b>	<b>4,575,434</b>

Other debts		
Considered good	94,873,057	142,250,978
	<b>94,873,057</b>	<b>142,250,978</b>

Allowances for doubtful debts	(1,089,339)	(1,089,339)
-------------------------------	-------------	-------------

	<b>95,525,263</b>	<b>145,737,073</b>
--	-------------------	--------------------

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

**13 DEFERRED TAXES**

	As at 31 March 2013 ₹	As at 31 March 2012 ₹
<b>Deferred tax assets</b>		
Provision for doubtful trade receivables	353,436	353,436
Provision for doubtful advances	8,093,704	—
Provision for doubtful service tax	470,039	—
Provision for employee benefits	5,346,626	2,835,144
Lease rent equalisation	531,789	—
<b>Total</b>	<b>14,795,594</b>	<b>3,188,580</b>
<b>Deferred tax liabilities</b>		
Timing difference on depreciation and amortisation	2,333,762	1,501,057
<b>Total</b>	<b>2,333,762</b>	<b>1,501,057</b>
<b>Deferred tax asset, net</b>	<b>12,461,832</b>	<b>1,687,523</b>

**14 LOANS AND ADVANCES  
(Unsecured)**

	As at 31 March 2013		As at 31 March 2012	
	Long-term ₹	Short-term ₹	Long-term ₹	Short-term ₹
<b>Security deposit</b>				
Considered good	14,741,585	—	17,341,651	—
Doubtful	24,945,920	—	24,945,920	—
	39,687,505	—	42,287,571	—
Allowances for doubtful advances	(24,945,920)	—	(24,945,920)	—
	<b>14,741,585</b>	<b>—</b>	<b>17,341,651</b>	<b>—</b>
<b>Loans &amp; advances to related parties</b>				
Advance to subsidiary	—	2,609,447	—	—
	<b>—</b>	<b>2,609,447</b>	<b>—</b>	<b>—</b>
<b>Other loans and advances</b>				
Advance income tax (net of provisions)	14,282,692	—	46,499,274	—
MAT credit entitlement	15,875,711	—	15,875,711	—
Service tax input credit	—	6,094,239	—	3,023,652
Prepaid expenses	438,064	11,082,004	—	4,679,298
Advance to suppliers	—	1,027,234	—	2,177,500
Advance to employees	—	2,404,109	—	1,128,710
	30,596,467	20,607,586	62,374,985	11,009,160
Allowances for doubtful service tax receivable	—	(1,448,725)	—	(1,448,725)
	<b>30,596,467</b>	<b>19,158,861</b>	<b>62,374,985</b>	<b>9,560,435</b>
	<b>45,338,052</b>	<b>21,768,308</b>	<b>79,716,636</b>	<b>9,560,435</b>

**15 OTHER ASSETS**

	As at 31 March 2013		As at 31 March 2012	
	Non-current ₹	Current ₹	Non-current ₹	Current ₹
Unbilled revenue	—	4,105,044	—	3,215,629
Miscellaneous expenses to the extent not written off	—	519,000	1,038,000	—
Bank deposits with maturity of more than 12 months (Also refer Note 16)	492,539	—	492,539	—
Interest accrued	—	58,931	—	58,931
	<b>492,539</b>	<b>4,682,975</b>	<b>1,530,539</b>	<b>3,274,560</b>

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

**16 CASH AND BANK BALANCES**

	As at 31 March 2013		As at 31 March 2012	
	Non-current ₹	Current ₹	Non-current ₹	Current ₹
<b>Cash and cash equivalents</b>				
Balances with banks:				
– in current accounts	—	256,313	—	28,056
– in Exchange Earners Foreign Currency accounts	—	1,498,323	—	—
Cash on hand	—	9,220	—	49,963
	<u>—</u>	<u>1,763,856</u>	<u>—</u>	<u>78,019</u>
<b>Other bank balances</b>				
Bank deposits with maturity of more than 12 months	492,539	—	492,539	—
	<u>492,539</u>	<u>—</u>	<u>492,539</u>	<u>—</u>
Less : Amounts disclosed as other non-current assets (Refer note 15)	(492,539)	—	(492,539)	—
	<u>—</u>	<u>1,763,856</u>	<u>—</u>	<u>78,019</u>

**17 REVENUE**

	Year ended 31 March 2013	Year ended 31 March 2012
	₹	₹
Engineering design services	545,423,767	471,800,695
	<u>545,423,767</u>	<u>471,800,695</u>

**18 OTHER INCOME**

Guarantee fees	2,062,500	8,250,000
Net gain on foreign currency transaction and translation	—	1,409,236
Interest income		
– from non-current investments	256,902	163,896
– income tax refund	—	619,460
	<u>2,319,402</u>	<u>10,442,592</u>

**19 EMPLOYEE BENEFITS EXPENSE**

Salaries, wages and bonus	240,729,024	223,826,468
Contribution to provident fund	9,869,184	8,004,781
Provision for gratuity (Also refer note 6(a))	2,282,011	1,922,707
Provision for compensated absences	1,647,934	2,418,363
Staff welfare expense	5,585,048	4,716,283
	<u>260,113,201</u>	<u>240,888,602</u>

Notes to the financial statement for the year ended 31 March 2013 (Cont'd)	Year ended 31 March 2013 ₹	Year ended 31 March 2012 ₹
<b>20 OTHER EXPENSES</b>		
Rent	35,478,675	32,108,640
Electricity charges	12,340,416	9,048,581
Travelling and conveyance	19,860,615	24,540,099
Project Related Expenses	15,549,583	9,786,814
Legal and professional charges	4,153,435	3,504,296
Repairs and maintenance		
— Building	7,909,036	8,378,973
— Others	3,261,829	2,228,867
Payment to auditors (Also, refer note 28)	1,675,870	728,328
Equipment hire charges	19,812,347	32,262,288
Recruitment and training expenses	1,436,305	1,942,578
Advertising expenses	4,218,565	2,272,172
Communication expenses	2,746,417	2,571,525
Printing and stationery	1,509,407	1,309,024
Security charges	1,326,566	1,095,088
Rates and taxes	300,358	761,499
Insurance expenses	115,867	51,308
Postage and courier charges	213,206	240,326
Foreign exchange loss, net	12,123,137	—
Directors sitting fees	510,000	476,500
Sales commission	8,408,436	—
Miscellaneous expenses	573,678	874,052
	<b><u>153,523,748</u></b>	<b><u>134,180,958</u></b>
<b>21 DEPRECIATION AND AMORTISATION EXPENSE</b>		
Depreciation of tangible assets (Also, refer note 9)	9,225,320	4,776,221
Amortisation of intangible assets (Also, refer note 10)	14,707,131	7,933,354
	<b><u>23,932,451</u></b>	<b><u>12,709,575</u></b>
<b>22 FINANCE COSTS</b>		
Interest on loans		
— loan from bank	1,283,060	6,717,786
— Intercompany deposit	9,878,779	9,476,537
Other Borrowing Cost	1,863,995	2,199,039
	<b><u>13,025,834</u></b>	<b><u>18,393,362</u></b>
<b>23 EARNINGS PER SHARE (EPS)</b>		
a) Profit after tax attributable to equity shares (₹)	74,017,796	75,859,334
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 (₹)	3.71	3.80
	<b>As at</b>	<b>As at</b>
	<b>31 March 2013</b>	<b>31 March 2012</b>
<b>24 CONTINGENT LIABILITIES AND COMMITMENTS</b>	<b>₹</b>	<b>₹</b>
Estimated amount of contracts remaining to be executed on and not provided	730,000	518,939
Corporate guarantee provided to YES Bank Limited for loans availed by CADES Digitech Private Limited.	150,000,000	150,000,000
Corporate guarantee provided to YES Bank Limited for loans availed by Axis Aerospace & Technologies Limited.	825,000,000	825,000,000
	<b><u>975,730,000</u></b>	<b><u>975,518,939</u></b>

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

**25 RELATED PARTY DISCLOSURES**

*i. Parties where control exists :*

**Nature of relationship**

Holding company information

**Name of party**

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.

Subsidiary Companies

Axis Inc., U.S.A.

Axis E.U. Limited (Step down subsidiary)

Cades Digiotech Private Limited

Cades Technology Canada Inc (Step down subsidiary)

Axis Mechanical Engineering Design (Wuxi) Co., Ltd.,

*ii. Key Management Personnel :*

Chairman and CEO

Mr. S Ravinarayanan

*iii. Transactions with related parties:*

(Amount in ₹ )

Nature of Transaction	Holding Company / Intermediate Holding Company		Subsidiary		Key Management Personnel		Total	
	31 March 2013	31 March 2012	31 March 2013	31 March 2012	31 March 2013	31 March 2012	31 March 2013	31 March 2012
<b>A Revenue from operations</b>								
Axis Inc.	—	—	232,704,401	226,247,942	—	—	232,704,401	226,247,942
Axis EU Limited	—	—	18,361,718	5,707,310	—	—	18,361,718	5,707,310
<b>B Investment made</b>								
Axis Mechanical Engineering Design (Wuxi) Co., Ltd.,	—	—	2,068,035	—	—	—	2,068,035	—
<b>C Intercorporate deposit availed</b>								
Axis Aerospace & Technologies Limited	30,500,000	119,000,000	—	—	—	—	30,500,000	119,000,000
<b>D Intercorporate deposit repaid</b>								
Axis Aerospace & Technologies Ltd.	145,500,000	133,000,000	—	—	—	—	145,500,000	133,000,000
<b>E Interest on intercorporate deposit</b>								
Axis Aerospace & Technologies Ltd.	9,878,779	9,476,537	—	—	—	—	9,878,779	9,476,537

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

*iii. Transactions with related parties (Contd.):*

Nature of Transaction	(Amount in ₹)							
	Holding Company / Intermediate Holding Company		Subsidiary		Key Management Personnel		Total	
	31 March 2013	31 March 2012	31 March 2013	31 March 2012	31 March 2013	31 March 2012	31 March 2013	31 March 2012
<b>F Corporate guarantee fee income</b> Axis Aerospace & Technologies Limited	2,062,500	8,250,000	—	—	—	—	2,062,500	8,250,000
<b>G Remuneration</b> Mr. S. Ravinarayanan	—	—	—	—	2,016,000	2,016,000	2,016,000	2,016,000
<b>H Reimbursement of expenses to the Company</b> Axis Inc. Axis EU Limited	—	—	1,858,646 750,801	—	—	—	1,858,646 750,801	— —
<b>I Corporate guarantee given</b> Cades Dignitech Private Limited Axis Aerospace & Technologies Limited	—	825,000,000	—	—	—	150,000,000	—	150,000,000 825,000,000

(This space has been intentionally left blank)

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

iv. Balances as at the year end:

Nature of Transaction	(Amount in ₹ )					
	Holding Company / Intermediate Holding Company		Subsidiary		Total	
	31 March 2013	31 March 2012	31 March 2013	31 March 2012	31 March 2013	31 March 2012
<b>A Investments</b>						
Axis Inc.	—	—	148,906,359	148,906,360	148,906,359	148,906,360
Cades Ditech Private Limited	—	—	105,847,435	105,847,440	105,847,435	105,847,440
Axis Mechanical Engineering Design (Wuxi) Co., Ltd.,	—	—	2,068,035	—	2,068,035	—
<b>B Other current liabilities</b>						
Interest payable	—	—	—	—	—	851,479
Axis Aerospace & Technologies Ltd.	—	851,479	—	—	—	—
<b>C Intercorporate deposit outstanding</b>						
Axis Aerospace & Technologies Limited	—	115,000,000	—	—	—	115,000,000
<b>D Other current assets</b>						
Amount recoverable for expenses	—	—	1,858,646	—	1,858,646	—
Axis Inc.	—	—	750,801	—	750,801	—
Axis EU Limited	—	—	—	—	—	—
<b>E Trade receivables</b>						
Axis Inc.	—	—	13,252,062	57,851,350	13,252,062	57,851,350
Axis EU Limited	—	—	10,040,681	9,206,560	10,040,681	9,206,560
Axis Aerospace & Technologies Ltd.	—	9,099,750	—	—	—	9,099,750
<b>F Corporate guarantee given</b>						
Cades Ditech Private Limited	—	—	150,000,000	150,000,000	150,000,000	150,000,000
Axis Aerospace & Technologies Ltd.	825,000,000	825,000,000	—	—	825,000,000	825,000,000

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

**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 2013 was ₹ 35,478,675 (31 March 2012 : ₹ 32,108,640)

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

<b>Payments falling due:</b>	<b>As at 31 March 2013</b>	<b>As at 31 March 2012</b>
	₹	₹
Not later than one year	—	8,933,400
Later than one year but not later than 5 years	—	—
Later than 5 years	—	—
	<u>—</u>	<u><b>8,933,400</b></u>

**27 PARTICULARS RELATING TO FOREIGN EXCHANGE**

	<b>Year ended 31 March 2013</b>	<b>Year ended 31 March 2012</b>
	₹	₹
<b>Earnings in foreign exchange (accrual basis)</b>		
Income from operations	<u>258,968,095</u>	<u>239,964,649</u>
<b>Expenditure in foreign currency</b>		
Expenses recoverable	—	4,638,791
Bank charges and PCFC Interest	881,236	1,881,469
Commission and brokerage	8,408,436	—
Travel cost	7,321,950	12,201,470
	<u><b>16,611,622</b></u>	<u><b>18,721,730</b></u>

**28 PAYMENT TO AUDITORS**

Statutory audit fees *	1,475,000	625,000
Tax audit fees	100,000	75,000
Certifications	82,000	—
Out of pocket expenses	18,870	28,328
	<u><b>1,675,870</b></u>	<u><b>728,328</b></u>

Note: \* Excluding Service tax

**29 HEDGING AND DERIVATIVES**

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 amounting to ₹ NIL (31 March 2012 - 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. There are no forward contracts outstanding as at 31 March 2013.

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

<b>Category</b>	<b>Currency</b>	<b>Buy / Sell</b>	<b>31 March 2013</b>	<b>31 March 2012</b>
Forward contracts for hedging	USD	Sell	—	1,600,000



**Independent Auditor's Report  
To the Board of Directors of AXIS-IT&T Limited**

1. We have audited the accompanying consolidated financial statements of Axis-IT&T Limited, ("the Parent Company") and its subsidiaries (hereinafter collectively referred to as the "Group"), which comprise the consolidated Balance Sheet as at 31 March 2013, the consolidated Statement of Profit and Loss and consolidated Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

**Management's Responsibility for the Consolidated Financial Statements**

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

**Auditors' Responsibility**

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

**Opinion**

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

**Other Matters**

- 7 We did not audit the financial statements of certain subsidiaries included in the consolidated financial statements, whose financial statements reflect total assets (after eliminating intra-group transactions) of ₹ 113,942,107 as at 31 March 2013; total revenues (after eliminating intra-group transactions) of ₹ 251,919,854 and net cash flows aggregating to ₹ 10,979,767 for the year then ended. These financial statements have been audited by other auditors whose audit reports have been furnished to us by the management, and our audit opinion on the consolidated financial statements of the Group for the year then ended, to the extent they relate to the financial

## **AXIS-IT&T LIMITED (Consolidated)**

---

statements not audited by us as stated in this paragraph is based solely on the audit reports of the other auditors.  
Our opinion is not qualified in respect of this matter.

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

New Delhi  
30 May 2013

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

## AXIS-IT&T LIMITED (Consolidated)

### CONSOLIDATED BALANCE SHEET

	NOTE	As at 31 March 2013 ₹	As at 31 March 2012 ₹
<b>EQUITY AND LIABILITIES</b>			
<b>SHAREHOLDERS' FUNDS</b>			
Share capital	3	99,955,705	99,955,705
Reserves and surplus	4	661,629,353	519,661,108
		<b>761,585,058</b>	<b>619,616,813</b>
<b>MINORITY INTEREST</b>			
	5	198,146,798	172,614,070
<b>NON-CURRENT LIABILITIES</b>			
Long-term borrowings	6	4,000,000	120,700,000
Long-term provisions	8	21,010,309	17,764,389
		<b>25,010,309</b>	<b>138,464,389</b>
<b>CURRENT LIABILITIES</b>			
Short-term borrowings	6	388,940,888	279,281,745
Trade payables	9	124,148,104	153,444,284
Other current liabilities	10	227,761,581	172,730,675
Short-term provisions	8	6,390,665	20,958,957
		<b>747,241,238</b>	<b>626,415,661</b>
<b>TOTAL</b>		<b>1,731,983,403</b>	<b>1,557,110,933</b>
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
Fixed assets			
Tangible assets	11	78,209,922	47,959,413
Intangible assets	12	79,369,830	78,001,650
Intangible assets under development	13	164,741,807	97,048,242
Goodwill on consolidation		253,497,761	253,497,761
Non-current investments	14	10,918,660	10,918,660
Deferred tax assets, net	16	47,297,627	1,687,523
Long-term loans and advances	17	143,628,063	148,303,699
Other non-current assets	18	492,539	1,530,539
		<b>778,156,209</b>	<b>638,947,487</b>
<b>CURRENT ASSETS</b>			
Trade receivables	15	640,238,607	682,359,761
Cash and bank balances	19	104,914,016	52,381,974
Short-term loans and advances	17	71,906,820	53,479,384
Other current assets	18	136,767,751	129,942,327
		<b>953,827,194</b>	<b>918,163,446</b>
<b>TOTAL</b>		<b>1,731,983,403</b>	<b>1,557,110,933</b>

Notes 1 to 35 form an integral part of these consolidated financial statements

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

For **Walker, Chandiok & Co**  
Chartered Accountants

-Sd-  
per **Aasheesh Arjun Singh**  
Partner

New Delhi  
30 May 2013

For and on behalf of the Board of Directors

-Sd-  
**Kedar Nath Choudhury**      **Pradeep Dadlani**  
Director                              Director

-Sd-  
**Shweta Agrawal**  
Company Secretary

New Delhi  
30 May 2013

## AXIS-IT&T LIMITED (Consolidated)

### CONSOLIDATED STATEMENT OF PROFIT AND LOSS

	NOTE	Year ended 31 March 2013 ₹	Year ended 31 March 2012 ₹
<b>INCOME</b>			
Revenue from operations	20	2,860,021,239	2,285,866,754
Other income	21	7,000,744	18,744,492
<b>TOTAL</b>		<b><u>2,867,021,983</u></b>	<b><u>2,304,611,246</u></b>
<b>EXPENSES</b>			
Employee benefits expense	22	2,004,396,527	1,555,920,206
Other expenses	23	596,381,981	503,670,397
<b>TOTAL</b>		<b><u>2,600,778,508</u></b>	<b><u>2,059,590,603</u></b>
<b>EARNINGS BEFORE INTEREST, TAX, DEPRECIATION AND AMORTISATION (EBITDA)</b>		<b>266,243,475</b>	<b>245,020,643</b>
Depreciation and amortisation expense	25	77,332,579	59,163,818
Finance costs	24	39,099,863	32,477,474
<b>PROFIT BEFORE TAX</b>		<b><u>149,811,033</u></b>	<b><u>153,379,351</u></b>
<b>Tax expense:</b>			
Current taxes			
Domestic		33,904,448	15,220,053
Foreign taxes		15,290,262	30,970,138
Minimum alternative tax credit		—	(14,582,196)
Deferred tax credit		(45,610,103)	(426,401)
<b>PROFIT FOR THE YEAR</b>		<b><u>146,226,426</u></b>	<b><u>122,197,757</u></b>
<b>Earnings per equity share:</b>			
Basic and diluted (par value of ₹ 5)	26	6.05	6.04

**Notes 1 to 35 form an integral part of these consolidated financial statements.**

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

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

For and on behalf of the **Board of Directors**  
-Sd-  
**Kedar Nath Choudhury**     **Pradeep Dadlani**  
Director                             Director

-Sd-  
per **Aasheesh Arjun Singh**  
Partner

-Sd-  
**Shweta Agrawal**  
Company Secretary

New Delhi  
30 May 2013

New Delhi  
30 May 2013



# AXIS-IT&T LIMITED (Consolidated)

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

### 1 BACKGROUND

AXIS-IT&T Limited ('the Company/Parent 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') and Axis Mechanical Engineering Design (Wuxi) co., Ltd. ('Axis China') (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 2013	31 March 2012
Axis Inc.	USA	100.00%	100.00%
Axis EU Limited (Subsidiary of Axis Inc.)	UK	100.00%	100.00%
Cades Digitech Private Limited Cades Technology Canada Inc. (Subsidiary of Cades Digitech Private Limited)	India	51.10%	51.10%
Axis Mechanical Engineering Design (Wuxi) co., Ltd.	Canada	51.10%	51.10%
	China	100.00%	—

### 2 SIGNIFICANT ACCOUNTING POLICIES

#### (a) Basis of consolidation

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

The financial statements 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 unrealised 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-section (1) (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

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

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 recognised when the company's right to receive dividend is established by the reporting date.

#### (e) Fixed assets and depreciation/amortisation

##### *Tangible*

Tangible assets are carried at the cost less accumulated depreciation and impairment losses. The cost of tangible 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 tangible 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 tangible 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;

(i) Cost incurred in creation of engineering design process manuals. The process manuals, on capitalisation, will be amortised over the estimated useful life.

(ii) Cost incurred for design development of low cost generator set, wind turbine and hybrid motor project.

The intangibles under development will be amortised on capitalisation over the estimated useful life.

##### *Depreciation and amortisation*

Depreciation on fixed assets is provided on straight line basis over the estimated economic useful life based on the

## AXIS-IT&T LIMITED (Consolidated)

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

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%
Electrical installations	14.29%
Office buildings	1.63%
Vehicles	20.00%
Computer software	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.

#### (f) 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 charged to the Statement of Profit and Loss. If at the Balance Sheet date there is an indication that if a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount subject to a maximum of depreciated historical cost.

#### (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) 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 operations*

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.

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

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.

#### (i) 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 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.

#### (j) 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 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.

##### *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 2013 (Cont'd)

#### *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.

#### **(k) Borrowing cost**

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

#### **(l) 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.

##### *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.

#### **(m) Provisions and contingent liabilities**

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.

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.

#### **(n) 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.

#### **(o) 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

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

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.

#### **(p) 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.

#### **(q) 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 revenues and 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.

#### **(r) 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.

(This space has been intentionally left blank)

## AXIS-IT&T LIMITED (Consolidated)

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

	As at 31 March 2013		As at 31 March 2012	
	Number	₹	Number	₹
<b>3 SHARE CAPITAL</b>				
<b>Authorised</b>				
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
	<b>72,100,000</b>	<b>370,000,000</b>	<b>72,100,000</b>	<b>370,000,000</b>
<b>Issued share capital</b>				
Equity shares of ₹ 5 each fully paid up	20,011,581	100,057,905	20,011,581	100,057,905
<b>Subscribed and paid up</b>				
Equity shares of ₹ 5 each fully paid	19,960,481	99,802,405	19,960,481	99,802,405
<b>Add: Forfeited shares (amount originally paid ₹ 3 per share on 51,100 equity shares)</b>	—	153,300	—	153,300
	<b>19,960,481</b>	<b>99,955,705</b>	<b>19,960,481</b>	<b>99,955,705</b>
<b>a. Reconciliation of the equity shares</b>				
Balance at the beginning of the year	19,960,581	99,955,705	19,960,581	99,955,705
<b>Add : Issued during the year</b>	—	—	—	—
<b>Balance at the end of the year</b>	<b>19,960,581</b>	<b>99,955,705</b>	<b>19,960,581</b>	<b>99,955,705</b>
<b>b. Terms and rights attached to equity shares</b>				
"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.				
<b>c. Shares held by the Holding Company</b>				
Tayana Digital Private Limited	<b>12,142,100</b>	<b>60,710,500</b>	<b>12,142,100</b>	<b>60,710,500</b>
<b>d. Details of shareholders holding more than 5% shares in the Company</b>				
(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
	<b>13,314,308</b>	<b>66,571,540</b>	<b>13,314,308</b>	<b>66,571,540</b>
<b>e. There has been no issue of shares for consideration other than cash in the current year or during the 5 years immediately preceding 31 March 2013.</b>				

## AXIS-IT&T LIMITED (Consolidated)

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

4 RESERVES AND SURPLUS	As at 31 March 2013 ₹	As at 31 March 2012 ₹
<b>a. Securities premium account</b>		
Balance at the beginning of the year	298,129,199	298,129,199
<b>Add:</b> Premium on issue of equity shares	—	—
Balance at the end of the year	<b>298,129,199</b>	<b>298,129,199</b>
<b>b. Unrealised surplus on dilution (Also, refer note (i) below)</b>	155,677,539	155,677,539
<b>c. Hedge reserve</b>		
Balance at the beginning of the year	(15,304,810)	—
Movement during the year	15,304,810	(15,304,810)
Balance at the end of the year	—	<b>(15,304,810)</b>
<b>d. Translation reserve</b>	9,927,987	3,958,250
<b>e. Surplus/(deficit) in the Statement of Profit and Loss</b>		
Balance at the beginning of the year	77,200,930	(43,411,303)
Add : Net profit for the year	146,226,426	122,197,757
Less: Minority interest	(25,532,728)	(1,585,524)
<b>Balance at the end of the year</b>	<b>197,894,628</b>	<b>77,200,930</b>
<b>Total</b>	<b>661,629,353</b>	<b>519,661,108</b>

(i) Cades, a subsidiary had made a preferential allotment of 2,741,935 equity shares raising ₹ 309,838,655 (net of issue expenses) in the year 2010-2011. Consequent to the issue of shares, the effective shareholding of the Parent Company in Cades had 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.

5 MINORITY INTEREST	As at 31 March 2013 ₹	As at 31 March 2012 ₹
Balance at the beginning of the year	172,614,070	171,028,546
Additions for the year	25,532,728	1,585,524
<b>Balance at the end of the year</b>	<b>198,146,798</b>	<b>172,614,070</b>

6 BORROWINGS	As at 31 March 2013		As at 31 March 2012	
	Long-term ₹	Short-term ₹	Long-term ₹	Short-term ₹
<b>(Secured)</b>				
Term loan	5,700,000	—	13,300,000	—
Less: Current maturities of long-term borrowings (Also, refer note 10)	(5,700,000)	—	(7,600,000)	—
	—	—	5,700,000	—
Packing credit in foreign currency	—	190,172,298	—	160,595,122
Overdraft	—	55,471,780	—	4,828,726
Line of credit	—	100,796,810	—	113,857,897
Intercompany deposit	4,000,000	42,500,000	115,000,000	—
<b>Total borrowings</b>	<b>4,000,000</b>	<b>388,940,888</b>	<b>120,700,000</b>	<b>279,281,745</b>

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

#### (i) Axis-IT&T Limited

##### a) Details of security for borrowings

Packing credit facility in foreign currency (PCFC) from banks 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.

Intercompany deposit 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.

Intercompany deposit bearing an interest rate of 10.5% are repayable over a maximum tenure of three years from the date of availment.

#### (ii) Cades Digitech Private Limited

##### a) Details of security for borrowings

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

Intercompany deposits of ₹42,500,000 from Jupiter Capital Private Limited, carrying an interest rate of 11% per annum is secured by a second charge against receivables.

Intercompany deposits of ₹4,000,000 from Axis Aerospace & Technologies Limited carrying an interest rate of 11% per annum is secured by a charge against receivables and current assets of project revenues.

##### b) Terms of repayment of borrowings

Term loans having an interest rate of Bank's base rate plus 5% are repayable from September 2011 over 10 equal quarterly instalments.

Packing credit in foreign currency from bank having an interest rate of 3% - 6% are repayable over maximum tenure of 180 days from the date of respective availment.

Intercompany deposits from Jupiter Capital Private Limited are repayable over a period 365 days from the date of availment. Intercompany deposits from Axis Aerospace & Technologies are repayable within 3 years from the date of availment.

#### (iii) Axis Inc.

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

## 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 2013 is ₹ 20,822,280 (31 March 2012 : ₹ 19,179,852).

### b) Overseas 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 2013 is ₹ 47,550,683 (31 March 2012 : ₹ 25,921,536).

## AXIS-IT&T LIMITED (Consolidated)

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

#### 8 PROVISIONS

	As at 31 March 2013		As at 31 March 2012	
	Long-term ₹	Short-term ₹	Long-term ₹	Short-term ₹
<b>Provision for employee benefits</b>				
Gratuity (Also, refer note (a) below)	13,771,861	715,254	11,300,862	626,628
Compensated absences	7,238,448	1,312,277	6,463,527	948,449
	<b>21,010,309</b>	<b>2,027,531</b>	<b>17,764,389</b>	<b>1,575,077</b>
<b>Other provisions</b>				
Fringe benefit tax, net of advance taxes	—	129,445	—	129,445
Provision for minimum alternate tax	—	—	—	16,513,568
Current overseas tax, net of advance tax	—	—	—	2,740,867
Foreign tax, net of advance tax	—	4,233,689	—	—
	—	<b>4,363,134</b>	—	<b>19,383,880</b>
	<b>21,010,309</b>	<b>6,390,665</b>	<b>17,764,389</b>	<b>20,958,957</b>

#### 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.

	As at 31 March 2013 ₹	As at 31 March 2012 ₹
<b>Changes in the present value of the defined benefit obligation are as follows:</b>		
Defined benefit obligation at the beginning of the year	11,927,490	10,489,568
Current service cost	4,482,371	3,651,569
Interest cost	769,968	813,090
Benefits paid	(3,259,538)	(2,493,063)
Actuarial gains	566,824	(533,674)
Defined benefit obligation at the end of the year	<b>14,487,115</b>	<b>11,927,490</b>
<b>Components of net gratuity costs are</b>		
Current service cost	4,482,371	3,651,569
Interest on defined benefit obligation	769,968	813,090
Net actuarial gains	566,824	(533,674)
Expenses recognised in the Statement of Profit and Loss for the year	<b>5,819,163</b>	<b>3,930,985</b>
<b>Amount recognised in the Balance Sheet are as follows</b>		
Present value of unfunded obligations as at the end of the year	14,487,115	11,927,490
Net liability recognised in the Balance Sheet	<b>14,487,115</b>	<b>11,927,490</b>

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

Discount rate	7% - 8%	8.50%
Salary escalation rate	5% - 6%	5% - 6.50%
Retirement age	58 - 60 Years	58 - 60 Years

#### 9 TRADE PAYABLES

	As at 31 March 2013 ₹	As at 31 March 2012 ₹
Dues to creditors	124,148,104	153,444,284
	<b>124,148,104</b>	<b>153,444,284</b>

## AXIS-IT&T LIMITED (Consolidated)

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

#### 10 OTHER CURRENT LIABILITIES

	As at 31 March 2013 ₹	As at 31 March 2012 ₹
Duties and taxes payable	62,821,755	56,654,049
Advance from customers	40,380,800	2,156,603
Dues to employees	74,916,298	66,337,974
Accrued expenses	41,347,114	20,755,921
Current maturities of long-term borrowings (Also refer note 6)	5,700,000	7,600,000
Hedge liability	—	15,304,810
Other liabilities	2,595,614	3,921,318
	<b>227,761,581</b>	<b>172,730,675</b>

(This space has been intentionally left blank)

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

11 TANGIBLE ASSETS	Computers	Furniture & fixtures	Office equipments	Electrical installations	Land freeholds	Office building	Vehicles	Total
<b>Gross block</b>								(Amount in ₹ )
Balance as at 1 April 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
Deletions during the year	—	—	—	—	—	—	—	—
Other adjustments	2,120,591	703,412	2,588,883	—	—	—	—	5,412,886
<b>Balance as at 31 March 2012</b>	<b>94,108,280</b>	<b>26,222,018</b>	<b>36,887,888</b>	<b>2,059,794</b>	<b>2,264,437</b>	<b>16,581,724</b>	<b>1,756,331</b>	<b>179,880,472</b>
Additions	39,150,270	10,134,406	6,534,124	—	—	—	—	55,818,800
Deletions during the year	(23,124,659)	(12,272,259)	(4,474,133)	—	—	—	—	(39,871,051)
Other adjustments	551,138	145,032	1,737,192	—	—	—	—	2,433,362
<b>Balance as at 31 March 2013</b>	<b>110,685,029</b>	<b>24,229,197</b>	<b>40,685,071</b>	<b>2,059,794</b>	<b>2,264,437</b>	<b>16,581,724</b>	<b>1,756,331</b>	<b>198,261,583</b>
<b>Accumulated depreciation</b>								
Balance as at 1 April 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
Reversal on deletion of assets	978,960	250,607	3,156,493	—	—	—	—	4,386,060
<b>Balance as at 31 March 2012</b>	<b>74,899,189</b>	<b>21,927,072</b>	<b>28,659,605</b>	<b>2,051,116</b>	—	<b>3,039,642</b>	<b>1,344,435</b>	<b>131,921,059</b>
Charge for the year	20,659,763	2,456,571	1,998,649	8,678	—	270,282	351,266	25,745,209
Depreciation on assets deleted	(23,110,200)	(12,258,216)	(4,283,619)	—	—	—	—	(39,652,035)
Adjustments	238,361	64,865	1,734,202	—	—	—	—	2,037,428
<b>Balance as at 31 March 2013</b>	<b>72,687,113</b>	<b>12,190,292</b>	<b>28,108,837</b>	<b>2,059,794</b>	—	<b>3,309,924</b>	<b>1,695,701</b>	<b>120,051,661</b>
<b>Net block</b>								
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
At 31 March 2013	37,997,916	12,038,905	12,576,234	—	2,264,437	13,271,800	60,630	78,209,922

## AXIS-IT&T LIMITED (Consolidated)

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

#### 12 INTANGIBLE ASSETS

(Amount in ₹)

Gross block	Non compete fee	Softwares	Goodwill on amalgamation	Total
Balance as at 1 April 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
<b>Balance as at 31 March 2012</b>	<b>1,971,000</b>	<b>282,112,190</b>	<b>16,445,348</b>	<b>300,528,538</b>
Additions	—	52,899,454	—	52,899,454
Other adjustments	—	1,616,612	—	1,616,612
<b>Balance as at 31 March 2013</b>	<b>1,971,000</b>	<b>336,628,256</b>	<b>16,445,348</b>	<b>355,044,604</b>
<b>Accumulated amortisation</b>				
Balance as at 1 April 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
<b>Balance as at 31 March 2012</b>	<b>1,971,000</b>	<b>204,110,540</b>	<b>16,445,348</b>	<b>222,526,888</b>
Charge for the year	—	51,587,370	—	51,587,370
Other adjustments	—	1,560,516	—	1,560,516
<b>Balance as at 31 March 2013</b>	<b>1,971,000</b>	<b>257,258,426</b>	<b>16,445,348</b>	<b>275,674,774</b>
<b>Net Block</b>				
At 31 March 2012	—	78,001,650	—	78,001,650
At 31 March 2013	—	79,369,830	—	79,369,830

#### 13 INTANGIBLE ASSETS UNDER DEVELOPMENT

	Process manuals ₹	Design development ₹	Total ₹
Balance as at 1 April 2011	—	13,652,636	13,652,636
Additions during the year	77,163,400	6,232,206	83,395,606
<b>Balance as at 31 March 2012</b>	<b>77,163,400</b>	<b>19,884,842</b>	<b>97,048,242</b>
Additions during the year	87,578,407	4,949,390	92,527,797
Less : Reclassified to other current assets (Refer note (a) below)	—	(24,834,232)	(24,834,232)
<b>Balance as at 31 March 2013</b>	<b>164,741,807</b>	<b>—</b>	<b>164,741,807</b>

a) As on 31 March 2012, Axis EU Limited had intangible assets under development amounting to ₹ 19,884,842 towards development of design for low cost generator set, wind turbine and hybrid motor projects. During the current year, Axis EU Limited has evaluated potential buyers for selling the projects in progress. As a result, design development in progress amounting to ₹ 24,834,232 has been reclassified under other current assets as at 31 March 2013.

## AXIS-IT&T LIMITED (Consolidated)

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

#### 14 NON CURRENT INVESTMENTS

	As at 31 March 2013 ₹	As at 31 March 2012 ₹
<b>(Non trade, unquoted, valued at cost unless stated otherwise)</b>		
<b>Investments in equity instruments</b>		
Axis Cogent Global Limited 946,822 (31 March 2012 - 946,822) equity shares of ₹10 each fully paid up	10,913,660	10,913,660
Datum Technology Limited 50,000 (31 March 2012 - 50,000) equity shares of ₹ 10 each	500,000	500,000
<b>Less : Provision for diminution in the value of long term investments</b>	(500,000)	(500,000)
<b>Other investments</b>		
National savings certificate	5,000	5,000
	<b>10,918,660</b>	<b>10,918,660</b>

#### 15 TRADE RECEIVABLES

##### (Unsecured)

Outstanding for a period exceeding six months from the date they are due for payment		
Considered good	10,101,324	3,486,095
Doubtful <sup>1</sup>	72,673,352	67,218,829
	<b>82,774,676</b>	<b>70,704,924</b>
Other debts		
Considered good	630,137,283	678,873,666
	<b>712,911,959</b>	<b>749,578,590</b>
Allowances for bad and doubtful debts	(72,673,352)	(67,218,829)
	<b>640,238,607</b>	<b>682,359,761</b>

<sup>1</sup> Includes a sum of ₹ 68,268,537 (31 March 2012 - ₹ 66,129,490) foreign currency receivables 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.

#### 16 DEFERRED TAXES

Deferred tax assets		
Provision for doubtful trade receivables <sup>1</sup>	23,578,869	353,436
Provision for doubtful advances	8,093,704	—
Provision for doubtful debts (unbilled)	1,125,354	—
Provision for doubtful service tax	470,039	—
Provision for employee benefits	11,653,326	3,023,933
Unabsorbed carry forward losses <sup>2</sup>	13,853,077	7,818,538
Lease rent equalisation	1,003,058	—
<b>Total</b>	<b>59,777,427</b>	<b>11,195,907</b>
<b>Deferred tax liabilities</b>		
Timing difference on depreciation and amortisation	12,479,800	9,508,384
<b>Total</b>	<b>12,479,800</b>	<b>9,508,384</b>
<b>Deferred tax asset, net</b>	<b>47,297,627</b>	<b>1,687,523</b>

<sup>1</sup> During the year ended 31 March 2013, Cades has recorded a deferred tax asset amounting to ₹ 23,225,433 for certain foreign currency receivables that had been previously provided for. In this regard, Cades is currently in the process of applying for regulatory approvals to write off this amount for tax purposes.

<sup>2</sup> Considering the existence of firm sales orders available from the customers, sufficient taxable income will be available in future against which such deferred tax assets will be fully realised. Deferred tax assets has been recognised in the books of Axis Inc. and Cades on carry forward losses which are available as per local laws of respective jurisdictions.

## AXIS-IT&T LIMITED (Consolidated)

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

#### 17 LOANS AND ADVANCES

	As at 31 March 2013		As at 31 March 2012	
	Long-term ₹	Short-term ₹	Long-term ₹	Short-term ₹
<b>Security deposit</b>				
(Unsecured)				
Considered good	36,743,579	1,109,005	47,364,110	8,584,640
Doubtful	24,945,920	—	24,945,920	—
	61,689,499	1,109,005	72,310,030	8,584,640
Allowances for bad and doubtful advances	(24,945,920)	—	(24,945,920)	—
	<b>36,743,579</b>	<b>1,109,005</b>	<b>47,364,110</b>	<b>8,584,640</b>
<b>Advances recoverable in cash or kind</b>				
Advance to Subsidiary	—	750,801	—	—
<b>Other loans and advances</b>				
(Unsecured, considered good)				
Advance income-tax (net of provision for taxation)	52,330,336	—	67,577,713	—
MAT credit entitlement	15,875,711	—	15,875,711	—
Service tax cenvat input credit	32,284,263	21,158,777	12,844,992	13,035,764
Prepaid expenses	6,394,174	34,812,425	—	25,055,318
Advances to employees	—	9,788,830	—	5,913,259
Advances recoverable in cash or in kind	—	1,027,234	4,641,173	536,319
Recoverable from customer	—	1,834,789	—	875,237
Advance to suppliers	—	2,873,684	—	927,572
	106,884,484	71,495,739	100,939,589	46,343,469
Allowances for doubtful service tax cenvat credit	—	(1,448,725)	—	(1,448,725)
	106,884,484	70,047,014	100,939,589	44,894,744
	<b>143,628,063</b>	<b>71,906,820</b>	<b>148,303,699</b>	<b>53,479,384</b>

#### 18 OTHER ASSETS

	As at 31 March 2013		As at 31 March 2012	
	Non-Current ₹	Current ₹	Non-Current ₹	Current ₹
<b>Unbilled revenue</b>				
Considered good <sup>1</sup>	—	132,745,346	—	126,553,727
Doubtful	—	3,468,497	—	—
		136,213,843		126,553,727
Allowances for doubtful unbilled revenue	—	(3,468,497)	—	—
		132,745,346		126,553,727
Interest accrued	—	3,503,405	—	3,388,600
Miscellaneous expenses to the extent not written-off	—	519,000	1,038,000	—
Bank deposits with maturity of more than 12 months	492,539	—	492,539	—
(Also refer note 19)				
	<b>492,539</b>	<b>136,767,751</b>	<b>1,530,539</b>	<b>129,942,327</b>

<sup>1</sup> Includes ₹ 24,834,232, reclassified from intangible assets under development (Also refer note 13 (a)).

## AXIS-IT&T LIMITED (Consolidated)

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

	As at 31 March 2013 ₹	As at 31 March 2012 ₹
<b>19 CASH AND BANK BALANCES</b>		
<b>Cash and cash equivalents</b>		
Balances with banks:		
— in current accounts	67,003,571	9,233,492
— in exchange earners foreign currency accounts	6,135,917	1,686,374
Deposits with original maturity of less than three months	—	1,499
Cash on hand	26,546	62,627
	<b>73,166,034</b>	<b>10,983,992</b>
<b>Other bank balances</b>		
Deposits with maturity more than 3 months but less than 12 months (Also refer note a)	31,747,982	41,397,982
Deposits with original maturity for more than 12 months	492,539	492,539
Less : Amounts disclosed as other non-current assets (Also refer note 18)	(492,539)	(492,539)
	31,747,982	41,397,982
	<b>104,914,016</b>	<b>52,381,974</b>

(a) Fixed deposits of a carrying amount ₹ 29,500,000 (31 March 2012: ₹ 30,000,000) have been deposited as margin money at 20% against the Packing credit facility loan availed from a bank.

Deposits of a carrying amount ₹2,247,982 (31 March 2012: ₹ 1,397,982) have been deposited as bank guarantee towards lien on customs department and various customers.

	Year ended 31 March 2013 ₹	Year ended 31 March 2012 ₹
<b>20 REVENUE FROM OPERATIONS</b>		
Engineering design services	2,860,021,239	2,285,866,754
	<b>2,860,021,239</b>	<b>2,285,866,754</b>

### 21 OTHER INCOME

Corporate guarantee fees	2,062,500	8,250,000
Interest income from non-current fixed deposits	3,332,441	8,655,117
Interest on income-tax refund	860,942	1,629,685
Profit on sale of fixed assets	13,785	—
Miscellaneous income	731,076	209,690
	<b>7,000,744</b>	<b>18,744,492</b>

(This space has been intentionally left blank)

## AXIS-IT&T LIMITED (Consolidated)

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

	Year ended 31 March 2013	Year ended 31 March 2012
	₹	₹
<b>22 EMPLOYEE BENEFITS EXPENSE</b>		
Salaries, wages and bonus <sup>1</sup>	1,900,698,385	1,488,214,600
Contribution to provident fund	29,449,558	21,868,001
Contribution to overseas social security	51,875,322	25,921,536
Staff welfare expense	14,906,165	13,145,499
Gratuity (Also, refer note 8(a))	5,819,163	3,930,985
Compensated absences	1,647,934	2,839,585
	<b>2,004,396,527</b>	<b>1,555,920,206</b>

<sup>1</sup> Net of salary costs of ₹ 19,317,285 (31 March 2012 - ₹ 26,009,023) included under intangible assets under development.

### 23 OTHER EXPENSES

Rent	101,820,259	81,904,840
Power and fuel	22,971,881	16,890,526
Travelling and conveyance <sup>1</sup>	84,482,015	98,068,270
Repairs and maintenance		
— Building	16,623,815	15,409,086
— Others	5,822,776	3,143,262
Recruitment and training expenses	19,896,318	14,939,261
Communication expenses <sup>2</sup>	16,734,976	16,875,721
Equipment hire charges	51,711,574	64,704,760
Legal and professional charges	39,619,966	40,269,892
Payment to auditors	3,016,975	
Management fees	12,717,727	18,224,381
Printing and stationery	2,812,826	2,427,633
Security charges	2,960,454	2,434,228
Rates and taxes	4,406,492	7,108,236
Direct project expenses <sup>3</sup>	96,614,812	65,689,655
Software subscription charges	23,663,801	24,299,035
Directors sitting fees	920,000	806,500
Sales commission and brokerage	20,956,957	5,659,574
Brokerage	1,733,384	—
Advertising expenses	14,232,293	17,155,256
Insurance expenses	10,947,275	3,277,744
Postage and courier charges	1,926,889	1,514,016
Provision for doubtful debts	2,218,021	—
Provision for unbilled revenue	3,468,497	—
Net loss on foreign currency transactions and translations	32,187,612	686,886
Miscellaneous expenses	1,914,386	2,181,635
	<b>596,381,981</b>	<b>503,670,397</b>

<sup>1</sup> Net of travel expenses of ₹ nil (31 March 2012 - ₹ 735,500) included under intangible assets under development.

<sup>2</sup> Net of internet charges of ₹ 10,726,542 (31 March 2012 - ₹ 6,128,496) included under intangible assets under development.

<sup>3</sup> Net of professional consultancy fee of ₹ 62,483,970 (31 March 2012 - ₹ 50,522,587) included under intangible assets under development.

## AXIS-IT&T LIMITED (Consolidated)

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

	Year ended 31 March 2013	Year ended 31 March 2012
	₹	₹
<b>24 FINANCE COSTS</b>		
Interest on loans		
From bank	21,545,196	18,610,897
Intercompany deposits	13,232,629	9,489,921
Other borrowing costs	4,322,038	4,376,656
	<b>39,099,863</b>	<b>32,477,474</b>
<b>25 DEPRECIATION AND AMORTISATION EXPENSE</b>		
Depreciation of tangible assets (Also, refer note 11)	25,789,627	14,826,069
Amortisation of intangible assets (Also, refer note 12)	51,542,952	44,337,749
	<b>77,332,579</b>	<b>59,163,818</b>
<b>26 Earnings per share (basic and diluted)</b>		
a) Profit after tax attributable to equity shares (₹)	120,693,698	120,612,233
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 (₹)	6.05	6.04
	<b>As at 31 March 2013</b>	<b>As at 31 March 2012</b>
	₹	₹
<b>27 CONTINGENT LIABILITIES AND COMMITMENTS</b>		
Estimated amount of contracts remaining to be executed not provided for Corporate guarantee provided to YES Bank Limited for loans availed by Axis Aerospace & Technologies Limited, the intermediate parent company.	11,188,386	24,923,873
	825,000,000	825,000,000
	<b>836,188,386</b>	<b>849,923,873</b>
<b>28 RELATED PARTY DISCLOSURES</b>		

*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*

Nature of relationship	Name of party
Subsidiary Company	Axis Inc. Axis EU Limited (Subsidiary of Axis Inc.) Cades Digitech Private Limited Cades Technology Canada Inc. (Subsidiary of Cades Digitech Private Limited) Axis Mechanical Engineering Design (Wuxi) co., Ltd.

*iii. Key Management Personnel :*

Chairman and CEO	Mr. S Ravinarayanan
------------------	---------------------

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

**28. RELATED PARTY DISCLOSURES (Cont'd)**

iv. *Transactions with the related parties :*

Nature of transactions	Intermediate Holding company		Subsidiary/fellow subsidiary		Key management		Total	
	31 March 2013	31 March 2012	31 March 2013	31 March 2012	31 March 2013	31 March 2012	31 March 2013	31 March 2012
<b>Management fees charges</b> Axis Aerospace & Technologies Limited	12,717,727	17,353,238	—	—	—	—	12,717,727	17,353,238
<b>Recovery of expenses</b> Axis Aerospace & Technologies Limited	17,835,644	31,263,761	—	—	—	—	17,835,644	31,263,761
<b>Corporate guarantee fee income</b> Axis Aerospace & Technologies Limited	2,062,500	8,250,000	—	—	—	—	2,062,500	8,250,000
<b>Intercompany deposits availed</b> Jupiter Capital Private Limited	42,500,000	—	—	—	—	—	—	—
Axis Aerospace & Technologies Limited	53,000,000	119,000,000	—	—	—	—	53,000,000	119,000,000
<b>Intercompany deposits repaid</b> Axis Aerospace & Technologies Limited	164,000,000	133,000,000	—	—	—	—	164,000,000	133,000,000
<b>Remuneration paid</b> Mr. S. Ravinarayanan	—	—	—	—	2,016,000	2,016,000	2,016,000	2,016,000
<b>Rent paid</b> Hindusthan Infrastructure Projects & Engineering Private Limited	—	—	988,266	3,626,924	—	—	988,266	3,626,924
<b>Intercompany deposit extended</b> Axis Aerospace & Technologies Limited	—	38,000,000	—	—	—	—	—	38,000,000
<b>Intercompany deposits recovered</b> Axis Aerospace & Technologies Limited	—	65,250,000	—	—	—	—	—	65,250,000
<b>Interest expense on intercompany deposits</b> Axis Aerospace & Technologies Limited	10,185,574	9,476,537	—	—	—	—	10,185,574	9,476,537
Jupiter Capital Private Limited	2,985,067	—	—	—	—	—	2,985,067	—
<b>Engineering services income</b> Axis Aerospace & Technologies Limited	23,400,875	—	—	—	—	—	23,400,875	—
<b>Advance recovered</b> Axis Aerospace & Technologies Limited	3,600,000	—	—	—	—	—	3,600,000	—
<b>Corporate guarantee received</b> Axis Aerospace & Technologies Limited	44,300,000	—	—	—	—	—	44,300,000	—

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

**28. RELATED PARTY DISCLOSURES (Cont'd)**

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

Nature of Transactions	Intermediate holding company		Subsidiary/ Fellow subsidiary		Key management personnel		Total	
	31 March 2013	31 March 2012	31 March 2013	31 March 2012	31 March 2013	31 March 2012	31 March 2013	31 March 2012
<b>Corporate guarantee given</b> Axis Aerospace & Technologies Limited	—	825,000,000	—	—	—	—	—	825,000,000
<b>Interest income on intercorporate deposit</b> Axis Aerospace & Technologies Limited	—	1,316,816	—	—	—	—	—	1,316,816
<b>Sale of trademark *</b> Jupiter Capital Private Limited	500,000	—	—	—	—	—	500,000	—

\* This transaction has been based on a valuation carried out by an independent Chartered Accountant and has been relied upon by the auditors.

*(This space has been intentionally left blank)*

## AXIS-IT&T LIMITED (Consolidated)

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

### 28. RELATED PARTY DISCLOSURES (Cont'd)

iv. Balances as at year end :

(Amount in ₹)

Nature of Transactions	Fellow subsidiary		Intermediate/Ultimate holding company	
	31 March 2013	31 March 2012	31 March 2013	31 March 2012
<b>Intercorporate deposit</b>				
Axis Aerospace & Technologies Limited	—	—	—	115,000,000
<b>Rent deposit</b>				
Hindusthan Infrastructure Projects & Engineering Private Limited	—	2,250,000	—	—
<b>Trade receivables</b>				
Axis Aerospace & Technologies Limited	—	—	—	9,099,750
<b>Rent payable</b>				
Hindusthan Infrastructure Projects & Engineering Private Limited	—	654,034	—	—
<b>Interest payable</b>				
Axis Aerospace & Technologies Limited	—	—	—	851,479
<b>Management fees payable</b>				
Axis Aerospace & Technologies Limited	—	—	—	1,840,709
<b>Corporate guarantee given</b>				
Axis Aerospace & Technologies Limited	—	—	825,000,000	825,000,000
<b>Corporate guarantee received</b>				
Axis Aerospace & Technologies Limited	—	—	215,800,000	171,500,000
<b>Intercorporate deposit availed</b>				
Axis Aerospace & Technologies Limited	—	—	4,000,000	—
Jupiter Capital Private Limited	—	—	42,500,000	—
<b>Interest accrued on intercorporate deposit</b>				
Axis Aerospace & Technologies Limited	—	—	32,275	—
Jupiter Capital Private Limited	—	—	1,330,959	—
<b>Expenses recoverable</b>				
Axis Aerospace & Technologies Limited	—	—	1,841,722	40,998,962

### 29 DISCLOSURES IN RESPECT OF NON-CANCELLABLE OPERATING LEASES

The lease expenses for cancellable and non-cancellable operating leases during the year ended 31 March 2013 was ₹ 101,820,259 (31 March 2012 - ₹ 81,904,840)

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

Payment falling due:	31 March 2013	31 March 2012
	₹	₹
Not later than one year	39,313,926	42,347,053
Later than one year but not later than 5 years	51,318,283	73,759,910
Later than 5 years	11,879,623	—
	<b>102,511,832</b>	<b>116,106,963</b>

The Group'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 9 years generally and are usually renewable by mutual consent on mutually agreeable terms. The aggregate lease rentals payable are charged as Rent under Note 23 to the accounts.

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

**30 Segment reporting**

The Company has only one primary segment being Engineering Design Services, therefore, primary reporting segment is geographical segments by location of the customers. However, segment results are not disclosed since it is not feasible to attribute related costs to respective segments. Segment assets, segment liabilities and related disclosures could not be reported as the assets and liabilities are being used interchangeably amongst geographical segments.

Particulars	Asia Pacific		Europe		USA		Others		Total	
	31 March 2013	31 March 2012								
External sales	436,905,192	362,316,968	1,040,369,895	690,863,036	1,633,812,271	1,465,835,454	(251,066,119)	(233,148,704)	2,860,021,239	2,285,866,754

**31 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 2013 following a detailed transfer pricing study conducted for the financial year ended 31 March 2012. 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.

**32 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 amounting to ₹ NIL (31 March 2012 - ₹ 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. There are no forward contracts outstanding as at 31 March 2013.

(This space has been intentionally left blank)

## AXIS-IT&T LIMITED (Consolidated)

### 32 DERIVATIVE INSTRUMENTS AND UNHEDGED FOREIGN CURRENCY EXPOSURE (Cont'd)

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

Category	Currency	Buy / Sell	31 March 2013	31 March 2012
Forward contracts for hedging	USD	Sell	—	3,840,227

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

Particulars		31 March 2013			31 March 2012		
Included in	Currency	Coverion rate	Amount in foreign currency	Amount in ₹	Coverion rate	Amount in foreign currency	Amount in ₹
Sundry debtors	USD	54.3893	5,289,259	287,679,084	51.1565	1,671,306	85,498,165
	GBP	82.3209	121,970	10,040,680	81.7992	112,551	9,206,582
	EURO	69.5438	290,674	20,214,547	68.3403	675,698	46,177,404
Sundry creditors	USD	54.3893	21,408	1,164,378	51.1565	133,549	6,831,925
	EURO	69.5438	730,096	50,773,661	68.3403	1,019,429	69,668,085
	GBP	82.3209	4,141	340,891	81.7992	3,157	258,240
	JPY	0.5776	99,786	57,637	0.6243	100,000	62,430
	KRW	0.0485	563,678	27,338	0.0449	1,377,790	61,910
Salary payable	USD	54.3893	41,818	2,274,443	51.1565	18,530	947,930
	EURO	69.5438	319,822	22,241,637	68.3403	255,826	17,483,226
	GBP	82.3209	—	—	81.7992	—	—
	JPY	0.5776	—	—	0.6243	482,731	301,369
PCFC	USD	54.3893	3,496,502	190,172,298	51.1565	3,005,700	153,761,092
	EURO	69.5438	—	—	68.3403	100,000	6,834,030

### 33 SUMMARISED STATEMENT OF FINANCIALS OF SUBSIDIARY COMPANIES

(Amount in ₹ )

Particulars	Axis EU Limited	Axis Inc.	Cades	Cades Canada	Axis China
Share capital	47,373,702	122,225,103	177,419,350	5,328	2,071,875
Reserves and surplus	(9,709,503)	58,148,852	211,517,694	11,304,098	(970,980)
Total assets	76,828,285	321,520,498	882,183,861	35,065,966	2,047,774
Total liabilities	39,164,086	141,146,543	493,246,817	23,756,540	946,878
Details of investment (except investment in subsidiaries)	—	—	5,000	—	—
Revenue from operations	164,185,166	1,257,976,810	1,054,335,974	78,889,885	—
Profit before tax	13,793,690	10,514,648	16,251,460	12,916,937	(970,983)
Tax expense	—	3,261,346	(26,406,768)	3,596,187	—
Profit after tax	13,793,690	7,253,303	42,658,228	9,320,750	(970,983)

34 The Board of Directors in the meeting held on 23 January 2013 have approved the scheme of Arrangement whereby a subsidiary, Cades Digitech Private Limited (Cades) is proposed to be merged with Axis-IT&T Limited (Axis), the transferee company. The appointed date of the scheme is 01 April 2012 and the scheme of arrangement is subject to the approval of the requisite majority of the shareholders and creditors of Axis and Cades, the Honourable Delhi High Court and Honourable Karnataka High Court and the permission and approval of any other statutory or Regulatory Authorities, as applicable.

### 35 PREVIOUS YEAR FIGURES

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

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

-Sd-  
per **Aasheesh Arjun Singh**  
Partner

New Delhi  
30 May 2013

For and on behalf of the Board of Directors

-Sd-  
**Kedar Nath Choudhury**      **Pradeep Dadlani**  
Director                              Director

-Sd-  
**Shweta Agrawal**  
Company Secretary

New Delhi  
30 May 2013

# AXIS-IT&T LIMITED

Registered Office : A-264, Second Floor, Defence Colony, New Delhi - 110024  
Office for Correspondence : D-30, Sector III, NOIDA-201 301

DP id*	
Client Id*	

## PROXY FORM

Proxy No. ....

Regd. Folio No ..... No. of shares held .....

I/We ..... of.....

in the district of .....being a  
Member/Members of the above named Company hereby appoint .....

.....of.....

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

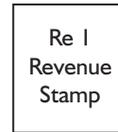
.....of.....

in the district of.....

as my/our proxy to vote for me/us on my/our behalf at the 23rd Annual General Meeting of the Company to be held on Monday, the 29th July, 2013 at 11.30 a.m. in Lakshmiptat 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 this .....day of.....2013

Signature.....



\*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  
Office for Correspondence : D-30, Sector III, NOIDA-201 301

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 23rd Annual General Meeting of the Company being held in Lakshmiptat Singhania Auditorium at the PHD Chambers of Commerce and Industry, PHD House, Ground Floor, 4/2, Sirifort Road, New Delhi 110016 Monday, the 29th July, 2013 at 11.30 a.m.

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

- NOTE:
- i) 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.
  - ii) Member/Proxy holders desiring to attend the meeting should bring their copy of the Annual Report for reference at the meeting.
  - iii) Members please be informed that the company shall adhere to its policy of no gift at the Annual General Meeting.
  - iv) 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



Mr. Jagadish Shettar the Then Hon'ble Chief Minister of Karnataka inaugurating the State of the Art Engineering Design Center of CADES (subsidiary of Axis-IT&T Ltd.) at Bengaluru.



Mr. Robert Nardini-VP & Head of Fuselage Engineering Center of Excellence, Airbus and Mr. Sudhakar Gande, Vice Chairman Axis Aerospace & Technologies Limited at the inauguration of Toulouse (France) office of CADES (subsidiary of Axis-IT&T Ltd.)



**axis-IT&T**  
We Engineer Your Thoughts

**Axis-IT&T Limited**  
D-30, Sector 3,  
Noida – 201301, (U.P), INDIA.  
Tel.: +91-120-4518 200  
Fax: +91-120-2442921  
[www.axisitt.com](http://www.axisitt.com)