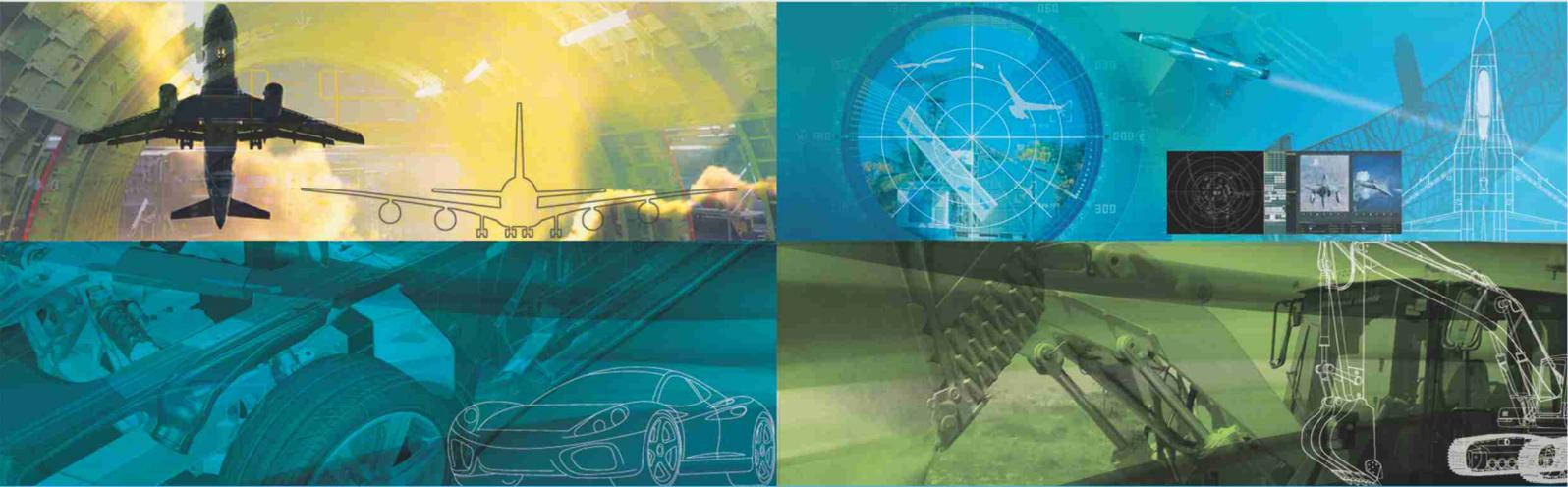




AXISCADES

Inspired Solutions. By Design



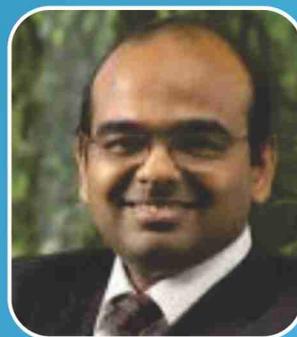
ANNUAL REPORT 2013-14

AXISCADES Engineering Technologies Limited
(formerly Axis-IT&T Limited)

BOARD OF DIRECTORS



Dr. Vivek Mansingh
Independent Director
Chairman



Mr. S. Valmeekanathan
Director, CEO



Mr. Pradeep Dadlani
Independent Director



Mr. P. Hemanth Polavaram
Independent Director



Mr. Rohitasava Chand
Non-Executive Director



Mr. Kailash M. Rustagi
Independent Director
Chairman Audit Committee



Mr. Kedar Nath Choudhury
Non-Executive Director



Mr. Srinath Batni
Independent Director

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AXISCADES Engineering Technologies Limited
(formerly Axis-IT&T Limited)

COMPANY SECRETARY & COMPLIANCE OFFICER

MRS. SHWETA AGRAWAL

REGISTERED OFFICE

AXISCADES Engineering Technologies Limited

A-264, Second Floor,

Defence Colony,

New Delhi-110024

OFFICE FOR CORRESPONDENCE

D-30, Sector-3,

Noida-201301

BANKERS

Yes Bank Ltd.

Prestige Obelisk,

Kasturba Road,

Bangalore-560001

AUDITORS

Walker Chandiok & Co LLP

(Formerly Walker Chandiok & Co)

16/I, Cambridge Road, Ulsoor,

Bengaluru- 560008

NOTICE

AXISCADES Engineering Technologies Limited (formerly Axis-IT&T Limited)

Reg. off.: A-264, 2nd Floor, Defence Colony, New Delhi-110024

CIN: L72200DL1990PLC041275. Website : www.axiscades.com, e-mail : info@axiscades.com

NOTICE is hereby given that the Twenty Fourth Annual General Meeting of the members of AXISCADES Engineering Technologies Limited (formerly Axis-IT&T Limited) will be held at Sri Sathya Sai International Center and School, Pragati Vihar, Lodhi Road, New Delhi- 110003, on Tuesday the 9th day of September 2014 at 3.30 p.m. to transact the following businesses:

ORDINARY BUSINESS

Item No. 1 Adoption of Financial Statements

To receive, consider and adopt:

- the audited Profit and Loss Account for the year ended 31st March, 2014, the Balance Sheet as that date and the reports of Directors and Auditors thereon.

Item No. 2 Appointment of Director, Mr. Kedarnath Choudhury

To appoint a Director in place of Mr. Kedarnath Choudhury (DIN No. 01519514), liable to retire by rotation in terms of Section 152(6) of the Companies Act, 2013 and being eligible offers himself for re-appointment.

Item No. 3 Appointment of Auditor M/s Walker Chandiook & Co LLP

To consider and if thought fit, to pass with or without modification(s) the following resolution as an Ordinary Resolution:

RESOLVED THAT pursuant to the provisions of Section 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules framed thereunder, as amended from time to time, M/s Walker Chandiook & Co LLP (formerly Walker, Chandiook & Co), Chartered Accountants (Firm Registration No. 001076N/N500013) 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 27th (twenty seventh) Annual General Meeting of the Company to be held in the year 2017 (subject to ratification of their appointment at every Annual General Meeting), at such remuneration plus applicable service tax, out of pocket expenses, travelling and living expenses etc. as may be mutually agreed between the Board of Directors of the Company and the Auditors.

SPECIAL BUSINESS

Item No. 4 Appointment of Mr. S.Valmeekanathan as a Director and CEO who is liable to retire by rotation.

A. To consider, and if thought fit, to pass with or without modification(s) the following resolution as an Ordinary Resolution:

RESOLVED THAT Mr. S.Valmeekanathan (holding DIN 05297798) who was appointed as Additional Director by the Board of Directors with effect from 25th February, 2014, in terms of Section 260 of the Companies Act, 1956 (corresponding to Section 161(1) of the Companies Act, 2013) and Article 114 of the Articles of Association of the Company and whose term of office expires at the Annual General Meeting and in respect of whom the company has received a notice in writing from a member proposing his candidature for the office of Director along with the requisite fee, be and is hereby appointed as a Director of the Company & he is liable to retire by rotation.

B. 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 196, 197, 198 and 203 and other applicable provisions of the Companies Act, 2013 and the Rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force), read with Schedule V to the Companies Act, 2013 (corresponding to Sections 198, 269, 309, 310 read with Schedule XIII and all other applicable provisions of the Companies Act, 1956) and subject to the approval

AXISCADES Engineering Technologies Limited
(formerly Axis-IT&T Limited)

of the Central Government, if required, including such conditions and modifications as may be prescribed or imposed by the Central Government while granting such approval, the consent of the Company be and is hereby accorded to the appointment of Mr. S Valmeekanathan (holding DIN 05297798), Director, as Chief Executive Officer (CEO) of the Company, for a period of 3 (three) years w.e.f. 25th February 2014 at a remuneration and terms and conditions as detailed hereunder in Section I within which the Board is authorized to approve:

Section I

A. Basic Salary upto Rs. 7,50,000 (Rupees Seven Lacs Fifty Thousand Only) per month

B. Perquisites & Allowances

- Company's contribution of 12% of salary to Provident Fund.
 - Gratuity payable at the rate of half a month's salary calculated on the basis of 26 days in a month, for each completed year of service.
 - The Company shall provide a car with driver and incur all day to day running and maintenance expenses for the same upto Rs. 25,000/- (Rupees Twenty Five Thousand Only) per month.
 - Eligible for leaves as per the leave rules of the Company.
 - Reimbursement of all expenses including entertainment and traveling incurred in the course of the business of the Company.
 - Medical Insurance coverage upto Rs 3,50,000/- (Rupees Three Lacs Fifty Thousand Only) for self, family and dependents.
 - Personal Accident Insurance coverage upto Rs 10,00,000/- (Rupees Ten Lacs Only) for self.
- C. Performance linked incentive upto Rs. 60,00,000/- (Rupees Sixty Lacs Only) per year. This component is linked to performance of the Company and will be evaluated by the Nomination & Remuneration Committee (formerly Remuneration Committee) for every completed Financial Year and disbursed accordingly.
- D. SITTING FEE: No sitting fees shall be paid for attending the meeting of the Board of Directors or Committee/s thereof.

Notwithstanding anything to the contrary herein contained where in any financial year during the currency of tenure of the aforesaid director, the Company has no profits or inadequate profits, the Company will pay remuneration by way of salary, perquisites and allowances to the said director subject to compliance with the applicable provisions of Schedule V of the Companies Act, 2013, or any other modification or re-enactment that may come into force and subject to the approval of Central Government, if required.

Item No. 5 Appointment of Mr. Pradeep Dadlani as an Independent director

To consider, and if thought fit, to pass with or without modification(s) the following resolution as an Ordinary Resolution:

RESOLVED THAT pursuant to the provisions of Section 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder read with Schedule IV of the Companies Act, 2013, Mr. Pradeep Dadlani (holding DIN 00664016), Non-Executive Independent Director of the Company, whose present term of office (as per the Companies Act, 1956) is liable to retire by rotation, be and is hereby reappointed as Non Executive Independent Director of the Company, not subject to retirement by rotation, to hold office for a term of 5 (five) consecutive years with effect from September 9, 2014 up to September 8, 2019.

Item No. 6 Appointment of Mr. K.M. Rustagi as an Independent director

To consider, and if thought fit, to pass with or without modification(s) the following resolution as an Ordinary Resolution:

RESOLVED THAT pursuant to the provisions of Section 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder read with Schedule IV of the Companies Act, 2013, Mr. K.M. Rustagi

(holding DIN 00143632), Non-Executive Independent Director of the Company, whose present term of office (as per the Companies Act, 1956) is liable to retire by rotation, be and is hereby reappointed as Non Executive Independent Director of the Company, not subject to retire by rotation, to hold office for a term of 5 (five) consecutive years with effect from September 9, 2014 up to September 8, 2019.

Item No. 7 Appointment of Mr. P. Hemanth Polavaram as an Independent director

To consider, and if thought fit, to pass with or without modification(s) the following resolution as an Ordinary Resolution:

RESOLVED THAT pursuant to the provisions of Section 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder read with Schedule IV of the Companies Act, 2013, Mr. P. Hemanth Polavaram (holding DIN 02964786), Non-Executive Independent Director of the Company, whose present term of office (as per the Companies Act, 1956) is liable to retire by rotation, be and is hereby reappointed as Non Executive Independent Director of the Company, not subject to retirement by rotation, to hold office for a term of 5 (five) consecutive years with effect from September 9, 2014 up to September 8, 2019.

Item No. 8 Appointment Dr. Vivek Mansingh as an Independent director

To consider, and if thought fit, to pass with or without modification(s) the following resolution as an Ordinary Resolution:

RESOLVED THAT Dr. Vivek Mansingh (holding DIN 06903079) who was appointed as Additional Director in the capacity of Non-Executive Independent Director and Chairman, by the Board of Directors with effect from 23rd June, 2014, in terms of section 161 & 149 of the Companies Act, 2013 and other applicable provisions of the Companies Act, 2013 read with Articles of Association of the Company and whose term of office expires at the Annual General Meeting be and is hereby reappointed as Non Executive Independent Director and Chairman of the Company, not subject to retirement by rotation, to hold office for a term of 5 (five) consecutive years with effect from September 9, 2014 up to September 8, 2019.

Item No. 9 Appointment Mr. Srinath Batni as an Independent director

To consider, and if thought fit, to pass with or without modification(s) the following resolution as an Ordinary Resolution:

RESOLVED THAT Mr. Srinath Batni (holding DIN 00041394) who was appointed as Additional Director in the capacity of Non-Executive Independent Director, by the Board of Directors with effect from 8th August 2014, in terms of section 161 & 149 of the Companies Act, 2013 and other applicable provisions of the Companies Act, 2013 read with Articles of Association of the Company and whose term of office expires at the Annual General Meeting be and is hereby reappointed as Non Executive Independent Director of the Company, not subject to retirement by rotation, to hold office for a term of 5 (five) consecutive years with effect from September 9, 2014 up to September 8, 2019.

Item No. 10 Approval for Borrowing Limits

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

RESOLVED THAT in supersession of the Ordinary Resolution adopted at the 19th Annual General Meeting held on 14th August 2009 and pursuant to section 180 (1) (c) and any other applicable provisions of the Companies Act, 2013 and the rules made there under (including any statutory modification(s) or re-enactment thereof for the time being in force), the consent of the company be and is hereby accorded to the Board of Directors (hereinafter referred to as the Board, which expression shall include a Committee of Directors duly authorised in this behalf) to borrow any sum or sum(s) of money, from time to time, in excess of the aggregate of the paid up share capital and free reserves of the Company, provided that the total amount borrowed and outstanding at any point of time, apart from temporary loans obtained/to be obtained from Company's bankers in the ordinary course of business, shall not at any time exceed Rs. 100 Crores (Rupees One Hundred Crores).

Item No. 11 Creation of Charge on Assets of the Company

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

RESOLVED THAT in supersession of the Ordinary Resolution adopted at the 19th Annual General Meeting held on 14th August 2009 and pursuant to section 180 (1) (a) and any other applicable provisions of the Companies Act, 2013 and the rules made there under (including any statutory modification(s) or re-enactment thereof for the time being in force), consent of the Company be and is hereby accorded to the Board of Directors of the Company, to mortgage and/or charge all or any part of the immovable and/or movable properties/assets of the Company wherever situated, both present and future, to or in favour of any Bank(s), financial institution (s), company (ies) or other organization (s) or institution (s) or Trustee (s) (hereinafter collectively referred to as the Lending Agencies) in order to secure the loans (excluding temporary loans obtained from the Company's Bankers in the ordinary course of business) advanced/to be advanced by such lending agencies to the Company together with interest at the respective agreed rates, compound/additional interest, commitment charges, premium on pre-payment on or redemption, costs, charges, expenses and all other monies payable by the Company in respect of the said borrowings.

Item No. 12 Related Party Transactions

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 Clause 49 (VII) of the Listing Agreement read together with Section 188 & 177 of the Companies Act, 2013 along with the Rules prescribed there under, the following transaction with the Related Parties, be and are hereby approved and the Board of Directors are authorized to enter into these transactions from time to time with in the approved limits:

Name of RP	Nature of Relationship	Nature & duration of Contract	Audit Committee Recommendations	Board Noting
Axis Inc.	Subsidiary	Service Contract- Offshoring work from Subsidiary	Ordinary Course of Business and on arms length basis	Material Transaction recommended for Shareholders' approval

By Order of the Board of Directors
For **AXISCADES Engineering Technologies Limited**

Place : New Delhi
Date : 8th August 2014

Sd/-
Shweta Agrawal
Company Secretary

NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND ON A POLL TO VOTE INSTEAD OF HIMSELF. THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. A BLANK FORM OF PROXY IS ENCLOSED HEREWITH AND, IF INTENDED TO BE USED, IT SHOULD BE RETURNED DULY COMPLETED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN FORTY EIGHT HOURS BEFORE THE SCHEDULED TIME OF THE COMMENCEMENT OF 24TH ANNUAL GENERAL MEETING. THE ADDRESS OF THE REGISTERED OFFICE IS A-264, SECOND FLOOR, DEFENCE COLONY, NEW DELHI – 110024.
2. A PERSON CAN ACT AS PROXY ON BEHALF OF MEMBERS NOT EXCEEDING FIFTY IN NUMBER AND HOLDING IN THE AGGREGATE NOT MORE THAN 10% OF THE TOTAL SHARE CAPITAL OF THE COMPANY CARRYING VOTING RIGHTS. HOWEVER, A MEMBER HOLDING MORE THAN 10% OF THE TOTAL SHARE CAPITAL OF THE COMPANY CARRYING VOTING RIGHTS MAY APPOINT A SINGLE PERSON AS PROXY AND SUCH PERSON SHALL NOT ACT AS PROXY FOR ANY OTHER PERSON OR SHAREHOLDER.
3. Every member entitled to vote at the meeting, or on any resolution to be moved thereat, shall be entitled during the period beginning 24 hours before the time fixed for the commencement of the meeting and ending with the conclusion of the meeting, to inspect the proxies lodged, at any time during the business hours of the company, provided not less than three days' notice in writing of the intention so to inspect is given to the company.
4. The Register of Members and Share transfer Book shall remain closed from 25th August 2014 till 9th September 2014 (both days inclusive).
5. 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.
6. A. Members holding shares in physical form are requested to notify/send the following to the Registrar & Transfer Agent (RTA) of the Company Karvy Computershare Pvt Ltd., 305, New Delhi House, 27, Barakhamba Road, New Delhi-110001:-
 - i) their email id, in case the same have not been sent earlier, for the purpose of receiving the communication electronically,
 - ii) any change in their address/e-mail id/ECS mandate/ bank details,
 - iii) share certificate(s), held in multiple accounts in identical names or joint accounts in the same order of names, for consolidation of such shareholding into one account.B. Members holding shares in dematerialized form are requested to notify to their Depository Participant:
 - i) their email id, in case the same have not been sent earlier, for the purpose of receiving the communication electronically,
 - ii) all changes with respect to their address, email id, contact no., ECS mandate and bank details.
7. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number(PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the Company.
8. The shares of the Company are under compulsory Demat trading. Members holding shares in physical form are requested to convert their shares into dematerialized form in their own interest and convenience purpose.
9. In accordance with section 20 of the Companies Act, 2013 service of documents on members by a company is allowed through electronic mode. Accordingly, as a part of Green Initiative, soft copy of the Annual Report for the year ended March 31, 2014 has been sent to all the members whose email address (es) are registered with the Company/Depository Participant(s) unless any member has requested for a hard copy of the same. Further, in terms of SEBI Circular No. CIR/CFD/DIL/7/2011 dated 05.10.2011 the hard copies of Annual Report have been sent to all other members who have not registered their email address (es).
10. Members, who have not yet registered their email address with the Company/RTA/Depository Participant, are requested to do the same at the earliest to the Company/RTA. Members can also submit their request along with Attendance Slip at the Registration Counter at AGM. Members holding shares in dematerialized form are requested to register their

AXISCADES Engineering Technologies Limited
(formerly Axis-IT&T Limited)

email address with their Depository Participant only. Even after registering for e-communication, members are entitled to receive such communication in physical form, upon receipt of request for the same.

11. The Notice of the 24th Annual General Meeting and the Annual Report for 2013-14 will also be available on the Company's website www.axisitt.com for download by the members. The physical copies of the aforesaid documents will also be available at the Company's Registered Office for inspection during business hours.
12. In case you have any query relating to the enclosed Annual Accounts you are requested to send the same to the Company Secretary at the Registered Office of the Company at least 10 days before the date of Annual General Meeting so as to enable the management to keep the information ready for replying at the meeting.

Voting through electronic means:

- i) Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014, a member may exercise his right to vote by electronic means (e-voting) in respect of the resolutions contained in this notice.
- ii) The Company is providing e-voting facility to its members to enable them to cast their votes electronically. The Company has engaged the services of Karvy Computershare Private Limited (Karvy) as the Authorised Agency to provide e-voting facilities.
- iii) The Board of Directors have appointed Mr. Anant Khamankar of M/s Anant B Khamankar & Co., Company Secretaries, Mumbai 21, Sethi Mansion, Kumtha Street, Ballard Estate, Mumbai – 400001 as the Scrutinizer, for conducting the voting process in a fair and transparent manner.
- iv) Members are requested to carefully read the instructions for e-voting before casting their vote.
- v) The e-voting facility will be available during the following voting period after which the portal will be blocked and shall not be available for e-voting :

Commencement of e-voting	From 09:00 a.m. (IST) on, 03.09.2014
End of e-voting	Up to 06:00 p.m. (IST) on, 05.09.2014

- vi) The cut-off date (i.e. the record date) for the purpose of e-voting is 01.08.2014.

The procedure and instructions for e-voting are as under:

- a) Open your web browser during the voting period by typing the URL: <https://evoting.karvy.com>
- b) Enter the login credentials (i.e. User ID and password mentioned -in the email forwarding the Notice of AGM, or on the Notice of AGM, in case email id is not registered and physical copy of the Annual Report is being received by you). Your Folio No./DP ID Client ID will be your User ID. However, if you hold shares in demat form and you are already registered with Karvy for e-voting, you shall use your existing User ID and password for casting your vote.
- c) After entering these details appropriately, click on LOGIN.
- d) You will now reach password change Menu wherein you are required to mandatorily change your password. The new password shall comprise of minimum 8 characters with at least one upper case (A-Z), one lower case (a-z), one numeric (0-9) and a special character (@,#,\$,etc.). The system will prompt you to change your password and update your contact details like mobile number, email ID, etc. on first login. You will also be required to enter a secret question and answer of your choice to enable you to retrieve your password in case you forget it. It is strongly recommended that you do not share your password with any other person and that you take utmost care to keep your password confidential.
- e) You need to login again with the new credentials.
- f) On successful login, the system will prompt you to select the Event Number for AXISCADES Engineering Technologies Limited.
- g) On the voting page you will see the Resolution Description and the options FOR/AGAINST/ABSTAIN for voting. Enter the number of shares (which represents the number of votes) as on the cut-off date under FOR/AGAINST or alternatively, you may partially enter any number in FOR and partially in AGAINST but the total number in FOR/ AGAINST taken together should not exceed your total shareholding as on the cut-off date, as mentioned above. You may also choose the option ABSTAIN in case you do not want to cast vote.

- h) You may then cast your vote by selecting an appropriate option and click on Submit.
- i) A confirmation box will be displayed. Click OK to confirm else CANCEL to modify. Once you confirm, you will not be allowed to modify your vote. During the voting period, Members can login any number of times till they have voted on the Resolution(s).
- j) Members holding multiple folios / demat accounts shall choose the voting process separately for each of the folios / demat accounts.
- k) Corporate / Institutional Members (i.e. other than Individuals, HUF, NRI, etc.) are also required to send scanned certified true copy (PDF Format) of the Board Resolution / Authority Letter, etc., together with attested specimen signature(s) of the duly authorized representative(s), to the Scrutinizer at e-mail ID: khamankar@gmail.com with a copy to evoting@karvy.com. The scanned image of the above mentioned documents should be in the naming format Corporate Name_EVENT NO.
- l) Once the vote on a resolution is cast by a Member, the Member shall not be allowed to change it subsequently. Further, the Members who have casted their vote electronically shall not be allowed to vote again at the Meeting.
- m) In case of any query pertaining to e-voting, please contact Karvy's toll free no. 1-800-34-54-001 or visit the FAQ's section available at Karvy's website <https://evoting.karvy.com>
- n) The voting rights of the Members shall be in proportion to the paid-up value of their shares in the equity capital of the Company as on the cut-off date (i.e. the record date), being 01.08.2014.
- o) The Scrutinizer shall after the conclusion of e-voting period and before the closing of working hours on 06.09.2014 unblock the votes in the presence of at least two (2) witnesses not in the employment of the Company and will make a Scrutinizer's Report of the votes cast in favour or against, if any, forthwith to the Chairman of the Company.
- p) The Scrutinizer's decision on the validity of the vote shall be final and binding.
- q) The Results on resolutions shall be declared on or after the AGM of the Company and the resolutions will be deemed to be passed on the AGM date subject to receipt of the requisite number of votes in favour of the resolutions.
- r) The result declared along with the Scrutinizer's report shall be placed on the website of the Company (www.axiscades.com) and on Karvy's website (<https://evoting.karvy.com>) within 2 (two) days of passing of the resolutions at the AGM and communicated to the Stock Exchanges where the Company shares are listed.

EXPLANATORY STATEMENT

The relevant explanatory statement pursuant to Section 102 of the Companies Act, 2013 in respect of item no. 4 to 12 of the notice set out above is annexed herewith.

Item no. 4(A & B)

Mr. S. Ravinarayanan relinquished his roles and responsibilities as CEO on 25th February 2014 and continued to be on the Board as a Non-Executive Director and Chairman till 20th June 2014. Considering this, based on the recommendations of Nomination and Remuneration Committee (formerly Remuneration Committee), the Board in its meeting held on 25th February 2014, appointed Mr. S.Valmeekanathan as the Additional Director & CEO of the company with effect from 25th February 2014 onwards for a period of 3 years, subject to Shareholders' approval.

Based on the provisions of Schedule XIII read together with various MCA circulars and compliance of disclosure requirements and pursuant to Section 197 read together with Schedule V of the Companies Act 2013, the company seeks shareholders approval subject to the Central Government approval, if required.

The Nomination and Remuneration Committee (formerly Remuneration Committee) and the Board have on 25th February 2014, accorded their approvals to the above and in the interest of the Company have recommended the aforesaid resolution as set out in this notice for approval of members in their meeting dated 8th August, 2014.

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

Mr. Valmeeka is a Mechanical Engineer from BITS, Pilani. He has close to 3 decades of senior leadership experience in, engineering services industry, gaining diverse experiences in engineering applications and solutions, design & development, developing new markets and opportunities for domain solutions in Aerospace, and Defense and Marine sectors.

Your company is in the business of providing IT Enabled Services mainly Engineering Design services. It was incorporated on 24.08.1990 and ventured into the domain of Engineering Design in January 2004.

Financial Performance of the company for the year 2013-14 can be analyzed based on the following indicators:

- | | |
|--|----------------|
| a. Total income | Rs. 183.13 cr. |
| b. Net Profit after tax & prior period items | Rs. 8.20 cr. |
| c. Earnings per Equity share (Basic) | Rs. 4.11 |
| d. Earnings per Equity share (Diluted) | Rs. 3.02 |

Export performance & Net foreign exchange collaborations:

- The company is a registered STPI unit and net exporter. The export earnings for the year 2013-2014 stood at Rs. 140.14 cr.
- The company has no foreign collaborations

Foreign investments:

- The company has an investment of Rs. 14.89 cr. in its wholly owned subsidiary Axis, Inc in The United States and Rs. 0.43 cr. in Axis Mechanical Design (Wuxi) Co. Ltd. in China The subsidiary is engaged in a similar line of business.

Past Remuneration:

Mr. S. Valmeekanathan is being appointed as CEO in the Company for the first time and he was not in receipt of any remuneration from the company in the past.

Recognition and Rewards

His leadership style and his model were extensively profiled in a book Leadership @ Infosys, published by Penguin books. Identified amongst the seven best case studies, his excellence in mentoring style was acknowledged in Mentoring at Infosys- a book published by Infosys Leadership Institute and released by NRN Murthy. He won awards for engineering product innovation, sales, distributor management, business excellence, customer satisfaction, account management etc., in the various roles and responsibilities that he has performed till date.

The proposed remuneration is as mentioned in the proposed resolution itself.

The remuneration of Mr. Valmeekanathan is fully justifiable and comparable to that prevailing in the Industry, keeping in view of the profile and the position of Chief Executive Officer and Director and enriched knowledge and vast and varied experience of the appointee. He shall be responsible for overall and day today management of the affairs of the company under the supervision and control of the Board of Directors. He will be accountable to the Board of Directors of the company.

Mr. S. Valmeekanathan has no pecuniary relationship with the company or with any managerial personnel except the emoluments (Salary) approved by the members in their duly convened meeting.

The company is currently profitable and has made a Net profit after Tax of Rs. 8.20 cr. during the year 2013-14 on a standalone basis. On a consolidated level company has made a net profit after tax of Rs 15.98 Cr for the above mentioned year.

Currently Company is into growth phase and investing on additional capacity and technical knowledge build up. Further company is executing many projects in overseas locations globally. Hence current margins are lower.

Company is taking various initiatives continuously including higher capacity utilization to yield higher margins.

Current Year standalone basis Profit after tax has increased from Rs. 7.40 Cr to Rs. 8.20 Cr . The Board of Directors is of the view that positive growth in profit will continue.

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 190 of the Companies Act, 2013 in respect of the remuneration of Mr. S. Valmeekanathan, CEO.

Your Directors are of the view that the Company would be immensely benefited by the varied experience and expert guidance of Mr. S. Valmeekanathan and therefore commend for approval, the Resolution contained in Item No. 4&5 of the Notice convening the Annual General Meeting.

Except Mr. S. Valmeekanathan, being an appointee, none of the directors and Key Managerial Personnel of the Company and their respective relatives are concerned or interested, financially or otherwise, in the resolution set out at Item No. 4.

This statement may also be regarded as s disclosure under Clause 49 of the Listing Agreement with the Stock Exchanges.

Item no. 5, 6, & 7

As per Section 149 (4) of the Companies Act, 2013 the Company is required to appoint Independent Directors. Since the Company had already appointed Mr. Pradeep Dadlani, Mr. K.M. Rustagi & Mr. Hemanth Polavaram, as Non-Executive Independent Directors subject to retirement by rotation in the past, in terms of Companies Act, 1956 and the Listing Agreement with the stock exchanges, and who are liable to retire by rotation, the Board of Directors in their meeting held on 8th August 2014 after consideration has recommended to reappoint the above said directors as Non-Executive Independent Directors within the meaning of Sections 149 and 152 [including section 149(10)] of the new Companies Act, 2013 read with Schedule IV attached thereto and Rules made there under, not subject to retirement by rotation, for a term of 5 (five) consecutive years with effect from the date of this Annual General Meeting upto the conclusion of Annual General Meeting of the Company to be held in the calendar year 2019.

The Company has received declarations from Mr. Pradeep Dadlani, Mr. K.M. Rustagi & Mr. Hemanth Polavaram that they meet the criteria of independence as prescribed under Section 149 (6) of the Companies Act, 2013 and also under clause 49 of the Listing Agreement with the stock exchanges. They have further confirmed that they are not disqualified from being appointed as Director under section 164 of the said Act.

The Board of Directors are of the opinion that Mr. Pradeep Dadlani, Mr. K.M. Rustagi & Mr. Hemanth Polavaram are persons of integrity and possesses relevant expertise and experience and are eligible and fulfils the conditions specified by the Companies Act, 2013 for the position of an independent director of the Company. The Board considers that their association as Directors will be beneficial to and in the interest of the Company.

The Board of directors recommends the ordinary resolutions for your approval.

The said independent directors are not related to any of the directors or key managerial personnel (including relatives of the directors or key managerial personnel) of the Company in terms of Section 2(77) of the Companies Act, 2013.

None of the Directors and key managerial personnel of the Company (including relatives of the directors or key managerial personnel) other than the respective Non-Executive Independent Director himself is concerned or interested, financially or otherwise, in these resolutions.

This statement may also be regarded as s disclosure under Clause 49 of the Listing Agreement with the Stock Exchanges.

Item no. 8

The Board of Directors at its meeting held on 23rd June 2014 had appointed Dr. Vivek Mansingh as Additional Director in the capacity of Independent Director & Chairman whose term as additional director expires in the ensuing Annual General Meeting under Section 161 & 149 of the Companies Act, 2013. Due notice under Section 160 of the Companies Act, 2013 has been received from him, proposing himself for the candidature of directorship of the company.

Brief profile of Dr. Vivek Mansingh

Dr. Vivek Mansingh has done Mechanical Engineering (Gold Medallist) from National Institute of Technology, Allahabad. Further, he has done Executive Business Management Program in 1996 from Stanford University and Ph.D in Engineering Design Software in 1987 from Queen's University, Canada. In his earlier role Dr. Mansingh has been Vice President, Collaboration & Communication Tech. Group of an Indian arm of the Multinational corporation and also led global teams to

AXISCADES Engineering Technologies Limited
(formerly Axis-IT&T Limited)

develop innovative cloud based products. He has also been the Country Head for MNC's India's R&D Centre. Dr. Mansingh currently holds 6 US patents and had invented an instrument and licensed the technology to Cambridge Accusense, Boston. He has contributed to two books and published over 100 technical papers. He has decades of highly accomplished leadership experience with excellent blend of business & technical skills. He is a recipient of INNOVATIVE LEADERSHIP CHANAKYA Award for the National Achievers 2013 by Public Relations Council of India. He also co-authored Handbook of Electronic Systems published by McGraw Hill in 1996.

None of the Directors and key managerial personnel (including relatives of the directors or key managerial personnel) of the Company except he himself, is concerned or interested, financially or otherwise, in this resolution.

This statement may also be regarded as s disclosure under Clause 49 of the Listing Agreement with the Stock Exchanges.

Item no. 9

The Board of Directors at its meeting held on 8th August 2014 had appointed Mr. Srinath Batni as Additional Director in the capacity of Independent Director whose term as additional director expires in the ensuing Annual General Meeting under Section 161 & 149 of the Companies Act, 2013. Due notice under Section 160 of the Companies Act, 2013 has been received from him, proposing himself for the candidature of directorship of the company.

Brief profile of Mr. Srinath Batni

Mr. Srinath Batni received a B.E. in Mechanical Engineering from Mysore University and an M.E. in Mechanical Engineering from the Indian Institute of Science, Bangalore. He has a worldwide leadership experience in Strategic Groups & Customer Delivery including Retail and Telecommunications Business. He has also served on the Board of Large Indian Corporations and their overseas Subsidiaries.

None of the Directors and key managerial personnel (including relatives of the directors or key managerial personnel) of the Company except he himself, is concerned or interested, financially or otherwise, in this resolution.

This statement may also be regarded as s disclosure under Clause 49 of the Listing Agreement with the Stock Exchanges.

Other details of the Directors whose appointment is proposed at Item No. 4 to 9 of the accompanying notice, have been given in the annexure attached.

Item no. 10 & 11

The shareholders of the company had at the 19th Annual General Meeting held on August 14, 2009, by an ordinary resolution (in accordance with the provisions of Companies Act, 1956), authorised the Board of Directors of the company to borrow sums in excess of paid up share capital and free reserves but not at any time exceeding Rs. 75 Crores (Rupees Seventy Five crores only) and authorized for the said purpose mortgaging and/or creating charge on all or any part of the immovable and/or movable properties/assets. Further Shareholders of erstwhile subsidiary Cades Digitech Pvt. Ltd. had approved the borrowing limit of Rs. 60 crores in its AGM held in the year 2012.

As required by provisions of section 180(1)(c) & 180 (1)(a) of the Companies Act, 2013 and keeping in view the company's business requirements and its growth plans, it is considered desirable to take revised approval for the overall limit of Rs. 100 Crores which is lesser than the combined aforesaid approved limits.

Accordingly, the Board of Directors recommends the resolution for your approval by way of a special resolution.

None of the Directors and key managerial personnel (including relatives of the directors or key managerial personnel) of the Company is concerned or interested, financially or otherwise, in this resolution.

Item no. 12

The members shall note that pursuant to the provision of Section 188, 177 of the Companies Act, 2013 read together with Rules made there under & Listing Agreement Clause 49 (VII), all the Related Party Transactions which are material to the company should be approved by the Shareholders. The Audit committee and the Board have considered the Service contract with its Wholly owned subsidiary Axis Inc., a US based company, as material being a contract upto Rs 30 Crore (estimated for FY 2014-15, and previous year 2013-14 was Rs 17.55 Cr) and hence recommend for your approval.

Accordingly, the Board of Directors recommends the resolution for your approval by way of a special resolution.

None of the Directors and key managerial personnel (including relatives of the directors or key managerial personnel) of the Company is concerned or interested, financially or otherwise, in this resolution, except Mr. S.Valmeekanathan who is Director in Axis Inc.

By Order of the Board of Directors
For **AXISCADES Engineering Technologies Limited**

Place : New Delhi
Date : 8th August 2014

Sd/-
Shweta Agrawal
Company Secretary

Particulars of Directors seeking Appointment / Re-appointment at the Annual General Meeting-information as on 8th August 2014

Particulars	Dr. Vivek Mansingh	Mr. S. Valmeekanathan	Mr. Kedarath Choudhury	Mr. Pradeep Dadlani	Mr. K.M. Rustagi	Mr. P.Hemant Polavaram	Mr. Srinath Batni
Date of Birth	3-Apr-56	2-May-64	22-May-66	25-Aug-60	4-Jul-63	31-Aug-71	14-Nov-54
Date of Appointment	23-Jun-14	25-Feb-14	31-Oct-08	28-Apr-08	27-Apr-05	29-Jan-11	8-Aug-14
Qualifications	Mechanical Engineering from NIT, Allahabad, Executive Business Management Program from Stanford University and Ph.D in Engineering Design Software from Queen's University, Canada	Mechanical Engineer from BITS, Pilani	CA & CWA	B.E. (Mechanical) & MBA (FT)	CA, CS & LLB	CA, CS & LLB	B.E. in Mechanical Engineering from Mysore University and an M.E. in Mechanical Engineering from the Indian Institute of Science, Bangalore
Expertise in specific functional areas	Highly accomplished leadership experience with excellent blend of business & technical skills	Wide senior leadership experience in engineering services industry, in Aerospace, Defense and Marine sectors.	Wide experience in Financial Planning, Budgeting, forecasting, Global Financial Accounting, ERP implementation, M&A	Wide Experience in IT, Media, Telecom, Environment, Industry, Market Research, Business Development	Wide Experience in investments, acquisitions, joint ventures and taxation	Wide experience in structuring business models, cross-border mergers and acquisitions, joint ventures	He has a worldwide leadership experience in Strategic Groups & Customer Delivery including Retail and Telecommunications Business. He has also served on the Board of large Indian corporates and their overseas Subsidiaries.
Directorship held in other companies (excluding foreign companies)	NIL	<ul style="list-style-type: none"> Cades Studec Technologies (India) Pvt. Ltd. 	<ul style="list-style-type: none"> Cades Studec Technologies (India) Pvt. Ltd., Tayana Digital Pvt. Ltd., Tayana Software Solutions Pvt. Ltd., Raaga Axis Aviacom Pvt. Ltd. 	<ul style="list-style-type: none"> Syscom Projects Consultants Pvt. Ltd., AXISCADES Aerospace & Technologies Limited. 	<ul style="list-style-type: none"> VNS Risk Management Services Pvt. Ltd. 	<ul style="list-style-type: none"> BIOVIZ Technologies Pvt. Ltd. Clinkom Research Pvt. Ltd., Sai Ganga Educational Services Pvt. Ltd., Yaji Institute of Management and Research, BVZ Pharma Pvt. Ltd., MET Therapeutics Pvt. Ltd. 	NIL
Membership/Chairmanships of Committees of other companies (includes only Audit Committee and Shareholders & Investors Grievance Committee)	NIL	NIL	NIL	NIL	NIL	NIL	NIL
No. of shares held in the Company	NIL	NIL	NIL	NIL	NIL	NIL	NIL
Attendance in Board Meetings (6 meetings held during 1.4.2013 to 31.03.2014)	NA	NIL	6	4	6	5	NA
Attendance in Audit Committee Meetings (5 meetings held during 1.4.2013 to 31.03.2014)	NA	NA	5	4	5	5	NA
Last AGM	NA	NA	Present	Present	Present	Present	NA

DIRECTORS' REPORT

To The Members,

The Directors submit the 24th annual report of Axis-IT & T Limited (the Company) and Consolidated Axis-IT & T Limited along with the Audited Financial Statements for the financial year ended 31st March 2014.

1. Financial Results

Rs. Crores

Year ended March 31	Standalone		Consolidated	
	2014	2013	2014	2013
Total income	183.13	54.77	309.89	286.70
Total expenditure (before interest & depreciation)	161.97	41.37	278.22	260.51
Earnings before interest, depreciation, amortization and extra ordinary items	21.16	13.40	31.67	26.19
Interest & other finance charges	3.44	1.30	3.61	3.48
Exceptional Items	0.35	-	0.35	-
Depreciation & amortization	7.04	2.39	8.16	7.73
Earnings before Tax and Extraordinary Items	10.33	9.71	19.55	14.98
Profit before Tax (PBT)	10.33	9.71	19.55	14.98
Provision for Tax – Current & Deferred	2.13	2.31	3.57	0.36
Profit after Tax (PAT)	8.20	7.40	15.98	14.62
Minority Interests	0.00	-	0.91	2.55
Profit/ (Loss) Brought Forward after adjusting amount transferred on Amalgamation	0.85	(6.55)	19.79	7.72
Adjustment attributable to the Scheme of Arrangement with erstwhile subsidiary, Cades Digitech Private Limited (refer note 2 of Financial Statements)	10.82	-	6.28	-
Balance Available for appropriation	19.87	0.85	41.14	19.79

Your company has shown, on a consolidated basis, growth of 8.1 % in total Income and 9.3 % 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

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 1229 employees to 1468 employees during the year.

The Engineering Services offered by the Company are:

- Design Services (CAD)
- Computer Aided Analysis (CAA)
- Manufacturing Engineering
- Technical Publications (Tech Pub)

- Value Analysis/Value Engineering (VAVE)

The Company has added 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. We continue to work with our customers to improve their spend efficiency and effectiveness through multiple corporate initiatives such as cost optimization, productivity improvements with continuous rebalancing of work distribution in various geographic locations. We continue to refine our business model to provide tangible benefits to the customer.

During the year, the Company further strengthened its relationship with one of the world's largest aircraft manufacturers' based out of Europe and we expect this business to show continuous growth.

The Company has also Started a major engagement with a Canada based global aircraft manufacturer.

Your company continues to invest in growing its service offerings to the global leader in off highway & Construction equipment.

5. Strategic Acquisition

In the previous year, on 8 February, 2013, Cades Digitech Pvt. Ltd. had 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 specializes in Documentation Engineering and Publications. The acquisition of Studec Technologies India Pvt. Ltd. was completed on 11th July 2013 and it became a subsidiary of Cades Digitech Pvt. Ltd. It has subsequently been renamed as Cades Studec Technologies (India) Pvt. Ltd.

6. Update on Scheme of Arrangement

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 Hon'ble High Courts of Karnataka and Delhi and also necessary statutory and regulatory approvals as applicable.

Subsequent to the various statutory approvals, the Hon'ble High Court of Karnataka vide its order dated 17 December 2013 and Hon'ble High Court of Delhi vide its order dated 10 March 2014 has approved the Scheme of Arrangement a copy of which was filed with the Office of Registrar of Companies, New Delhi on 24 March 2014 and accordingly the Scheme has come into effect from 24 March 2014 (the Effective Date) with the Appointed Date being 1 April 2012. The Scheme is presented under Sections 391 to 394 read with Sections 78, 100 to 103 of the Companies Act, 1956 ('the Act')

7. Subsidiaries

The Company had four Overseas Subsidiaries direct /indirect. Further one Indian Subsidiary as on 31st March 2014.

Overseas Subsidiaries

- AXIS Inc.: AXIS-IT&T Limited has wholly owned subsidiary incorporated in the US, namely AXIS Inc.
- Axis EU Ltd: AXIS Inc. has a wholly owned subsidiary AXIS EU Ltd. in the UK.
- Cades Technology Canada Inc.: AXIS-IT&T Limited has wholly owned subsidiary incorporated in CANADA (Formerly wholly owned subsidiary of Cades Digitech Pvt. Ltd. and pursuant to the Scheme of Arrangement became wholly owned subsidiary of Axis-IT&T Limited)
- Axis Mechanical Engineering Design (Wuxi) Co Ltd.: AXIS-IT&T Limited has wholly owned subsidiary incorporated in CHINA

Indian Subsidiaries

- Cades Studec Technologies (India) Pvt. Ltd.: AXIS-IT&T Limited has a majority stake in this subsidiary incorporated in INDIA (Formerly subsidiary of Cades Digitech Pvt. Ltd. and pursuant to the Scheme of Arrangement became subsidiary of Axis-IT&T Limited)
- Cades Digitech Pvt. Ltd. (Merged into Axis-IT&T Limited w.e.f. 24.03.2014 appointed date being 01.04.2012)

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 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.

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), if any, (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 forms part of this report.

8. Major events Subsequent to the Balance Sheet Date

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

9. 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, C-1, Block G,
Bandra Kurla Complex, Bandra (E),
Mumbai - 400 051
2. BSE Limited
Phiroze Jeejeebhoy Towers,
Dalal Street,
Mumbai – 400 001

There is an Employment agreement entered into with Mr. S. Ravinarayanan (SRN) 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. After his stepping down as CEO of the company w.e.f. 25.02.2014, Mr. S. Valmeekanathan (Val) signed an Employment Agreement for appointment as CEO of the company for a period of 3 years w.e.f. 25.02.2014. As per the said agreement, the Company/Val may, at its/his sole option, terminate this Agreement with three (3) months' written notice.

10. Corporate Social Responsibility

Your company has also constituted Corporate Social Responsibility Committee (CSR Committee) Chaired by an Independent Director. Under its guidance and supervision/monitoring, the company will contribute to a more secure and sustainable future as mandated by the Companies Act, 2013.

11. 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 Act, 1956 in respect of the financial statements is annexed to this report.

12. Directors

During the year under review there is a change in the Directors of the company wherein Mr. S. Ravinaryanan stepped down as the CEO of the company w.e.f 25th February 2014 and Mr. S.Valmeekanathan was appointed as Director and CEO of the company with that effect.

Your company has also constituted Nomination and Remuneration Committee (renaming its existing Remuneration Committee) Chaired by an Independent Director.

13. Auditors & Audit Report

The auditors M/s Walker Chandiook & Co LLP (formerly Walker, Chandiook & Co) retire from office at the ensuring Annual General Meeting and being eligible offer themselves for re-appointment.

The Auditors in their report have expressed an opinion that the Company has adjusted the debit balance in the Statement of Profit and Loss amounting to ₹ 516,221,117 against Securities Premium Account which otherwise would not have been adjusted in terms of the provisions of the Act but pursuant to the Scheme of Arrangement ('Scheme') between the Company and its subsidiary, Cades Digitech Private Limited, approved by the Hon'ble High Court of Karnataka and Hon'ble High Court of Delhi, made effective on 24 March 2014 with an appointed date of 1 April 2012.

Their opinion is not qualified in respect of this matter.

14. 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 centers in Bangalore, Noida, Chennai & Hyderabad, of which Bangalore, Noida & Hyderabad are registered as an STP (Software Technology Park) Unit.

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

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.

Foreign exchange earned and used for the year ending:

S. No.	Particulars	31.03.2014 (Rs. Crores)	31.03.2013 (RsCrores)
1.	Foreign Exchange Earnings (accrual basis)	140.14	25.90
2.	Foreign Exchange Outgo (Including Capital Goods & Spares)	73.38	1.66

15. Particulars of Employees :

The information required under section 217(2A) of the companies Act 1956 and rules made the under, in respect of employees of the company, is provided in annexure forming part of this report. However in term of section 219(1) (b)(iv) of the companies Act 1956, the report and account are being sent to the shareholders excluding the aforesaid annexure. Any shareholder interested in obtaining the copy of the same may write to the Company Secretary.

16. Group Entities

1. Jupiter Capital Pvt. Ltd.
2. Axis Aerospace & Technologies Ltd.
3. Jupiter Aviation Services Pvt. Ltd.
4. Indian Aero Ventures Pvt. Ltd.
5. Indian Aero Infrastructure Pvt. Ltd.
6. Indian Aviation Training Institute Pvt. Ltd.
7. Cades Studec Technologies (India) Pvt. Ltd.

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/-

S.Valmeekanathan
Director

Sd/-

Kedar Nath Choudhury
Director

Place: New Delhi

Date: 30 May 2014

ANNEXURE A 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, 2014 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, 2014 on 'going concern' basis.

For and on behalf of the Directors

Sd/-
S.Valmeekanathan
Director

Sd/-
Kedar Nath Choudhury
Director

Place: New Delhi

Date: 30 May 2014

ANNEXURE B TO DIRECTORS' REPORT

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 within 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 dealt within the books of accounts of AXIS-IT&T Ltd.
A	B	C	D	E	F	G	H
Overseas							
AXIS Inc.	31.03.2014	19,725	100	(114.25) Lacs	Nil	72.62 Lacs	Nil
AXIS EU Ltd. (All shares held by AXIS Inc.)	31.03.2014	5,75,476	100	205.98 Lacs	Nil	144.16 lacs	Nil
Cades Technology Canada Inc.	31.03.2014	100	100 (51.10 in 2013)	317.17 Lacs	Nil	48.83 Lacs	Nil
Axis Mechanical Engineering Design (Wuxi) Co. Ltd.	31.03.2014	1*	100	(28.10) Lacs	NA	(9.68) Lacs	NA
Cades Studec Technologies (India) Pvt. Ltd.	31.03.2014	475000	76	377.71 Lacs	NA	NA	NA

* The paid-in capital of the Company is RMB 450,476.

For and on behalf of the Directors

Sd/-
S.Valmeekanathan
Director

Sd/-
Kedar Nath Choudhury
Director

Place: New Delhi

Date: 30 May 2014

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. Corporate governance guidelines and best practices have evolved over a period of time. The Company has a strong legacy of fair, transparent and ethical governance practices. We believe that sound corporate governance is critical to enhancing and retaining investor trust. 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 2014, the Board of Directors of the Company consisted of 7 members including one Executive Director. The members are drawn from different areas of specialization and have expertise in Law, Finance, Engineering Design & Development and General Management & Strategic Planning etc. The members of the Boards have been very active in giving advice and direction to the Company.

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

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

Details of the other directorship and Committee membership are given in Annexure-1 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 relinquished his role as a CEO of the company with effect from the close of business hours on 24th February 2014 and continued as a Director (Non Executive) and Chairman of the board of the company. Mr. S.Valmeekanathan has been appointed as the Director & CEO w.e.f. 25th February 2014 in place of Mr. S.Ravinarayanan.

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

The non-executive directors were entitled to a sitting fee of Rs. 20,000/- for every Board Meeting attended by them. They are also entitled to a sitting fee of Rs. 20,000/- for every Audit Committee meeting of which they are member and is attended by them after 29th July 2013. 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 2013-2014, six Board meetings were held at the following dates:

Sl. No.	Board Meeting Dates
1.	30 May 2013
2.	29 July 2013
3.	12 November 2013
4.	13 February 2014
5.	25 February 2014
6.	27 March 2014

C. Code of Conduct

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

D. Committees of the Board of Directors

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

- I. Stakeholders Relationship Committee (merged with Investor Grievance Committee on 27.03.2014)
- II. Audit Committee
- III. Investor Grievance Committee (merged with Share Transfer Committee on 27.03.2014)
- IV. Nomination & Remuneration Committee (formerly Remuneration Committee)
- V. Finance Review Committee (dissolved w.e.f 27.03.2014)
- VI. Restructuring Committee (dissolved on 27.03.2014)
- VII. Corporate Social Responsibility Committee (CSR)

I. Stakeholders Relationship Committee (formerly 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 certificates 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 2014 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 30 May 2013, 29 July 2013, 12 November 2013 and 13 February 2014.

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.

The Committee was merged with Investor Grievance Committee in the Board meeting held on 27.03.2014 and is renamed as Stakeholders Relationship Committee.

II. Audit Committee

The Company has constituted an Audit Committee consisting of 4 (four) 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 2014:

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

The Committee met on 30 May 2013, 29 July 2013, 12 November 2013, 13 February 2014 and 27 March 2014..

III. Stakeholders Relationship Committee (formerly 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 2014

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 30 May 2013, 29 July 2013, 12 November 2013 and 13 February 2014.

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

The Committee was merged with Share transfer Committee in the Board meeting held on 27.03.2014 and is renamed as Stakeholders Relationship Committee.

IV. Nomination & Remuneration Committee w.e.f. 27.03.2014 (formerly Remuneration Committee)

As of 31 March 2014, the Nomination & Remuneration Committee comprises of the following Directors:

- 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 one meeting of the Nomination & Remuneration Committee held on 25th February 2014 during the year ended 31 March 2014 .

V. Finance Review Committee (Dissolved on 27.03.2014)

As of 31 March 2014, 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 2014. The Committee was dissolved in the Board meeting held on 27.03.2014.

VI. Restructuring Committee (Dissolved on 27.03.2014)

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:

1. Mr. Pradeep Dadlani Chairman
2. Mr. Rohitasava Chand
3. Mr. K.M. Rustagi
4. Ms. Shweta Agrawal Compliance officer/Secretary

There was no meeting of the Committee during the year ended 31 March 2014. The purpose for which this committee for formed has been successfully achieved i.e Merger of Cades Digitech Pvt. Ltd. (subsidiary) with Axis-IT&T Ltd. The Scheme of arrangement was approved by the respective High Courts and hence the Committee is dissolved in the Board meeting held on 27.03.2014.

VII. Corporate Social Responsibility Committee (CSR)

In compliance with the provisions of the Companies Act, 2013 read together with the notified rules, the Company constituted a Corporate Social Responsibility Committee (CSR) on 27.03.2014 with the following members:

1. Mr. Pradeep Dadlani,
2. Mr. K.M. Rustagi and
3. Mr. Rohitasava Chand,
4. Ms. Shweta Agrawal Compliance officer/Secretary

There was no meeting of the Committee during the year ended 31 March 2014.

E. Particulars of General Meeting

The particulars of the last three Annual General Meetings are:

Nature of meeting	Date and time	Venue of the meeting	Special Resolutions passed
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, New Delhi – 110016	NIL
Annual General Meeting	July 29, 2013; 11.30 a.m.	Lakshmipat Singhanian Auditorium, PHD Chambers of Commerce & Industry, PHD House, Ground Floor, 4/2, Sri Fort Road, New Delhi – 110016	Appointment of Mr. S. Ravinarayanan as the Chairman and CEO of the company w.e.f.1st April 2013 for 3 years.

Postal ballot for approving the Scheme of Arrangement

One resolution was passed through postal ballot for approving the Scheme of Arrangement of Cades Digitech Private Limited and Axis-IT&T Limited and their respective shareholders (Scheme), the result of which was declared on 12th September 2013.

Result of Voting:

SR. NO.	PARTICULAR	REPORT	
1.	Total number of ballot papers received.	75	
2.	Total number of valid ballot papers.	73	
3.	Total number of invalid ballot papers.	2	
4.	Total number of ballots voted in electronic form.	18	
		TOTAL NO OF SHARES (Electronic and Physical form)	PERCENTAGE
5.	Total number of shares polled in FAVOUR of Resolution approving Scheme of Arrangement of Cades Digitech Private Limited and Axis-IT&T Limited and their respective Shareholders	1196645	99.77
6.	Total number of shares polled AGAINST the Resolution approving Scheme of Arrangement of Cades Digitech Private Limited and Axis-IT&T Limited and their respective Shareholders	2768	0.23

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.

Court convened General Meeting

One resolution was passed in the Court convened meeting held on 17th September 2013 for approving the Scheme of Arrangement of Cades Digitech Private Limited and Axis-IT&T Limited and their respective shareholders (Scheme).

F. The Details of Attendance at the General Meetings, Board Meeting and Various Committees Meeting during the period 1 April 2013 to 31 March 2014

Name of the Director	Board	Share Transfer Committee	Audit Committee	Investor Grievances Committee	Finance Review Committee	Remuneration Committee	Restructuring Committee	Attendance at AGM
	[6]	[4]	[5]	[4]	[0]	[1]	[0]	
Mr. S. Ravinarayanan	1	NA	NA	NA	N.A.	N.A.	NA	Absent
Mr. Rohitasava Chand	5	3	NA	3	N.A.	1	NA	Present
Mr. K.M. Rustagi	6	4	5	4	N.A.	1	NA	Present
Mr. Pradeep Dadlani	4	3	4	3	N.A.	0	NA	Present
Mr. Kedar Nath Choudhury	6	4	5	4	N.A.	1	NA	Present
Mr. P. Hemanth Polavaram	5	4	5	4	N.A.	0	NA	Present
Mr.S.Valmeekanathan*	0	NA	NA	NA	NA	NA	NA	NA

- Mr. S. Valmeekanathan was appointed w.e.f 25th February 2014.

G. Remuneration of Directors

(i) During the period from 1st April 2014 till 24th February 2014, 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.

(ii) From 25th February 2014 onwards Mr. S. Valmeeka Nathan, appointed as CEO in place of Mr. S. Ravinarayanan, who relinquished his position as CEO and continue on the Board as Non Executive Director and Chairman, was paid the following remuneration:

A. Basic Salary Rs. 7,50,000 (Rupees Seven Lacs Fifty Thousand Only) per month

B. Perquisites & Allowances

- Company's contribution of 12% of salary to Provident Fund.
- Gratuity payable at the rate of half a month's salary calculated on the basis of 26 days in a month, for each completed year of service.
- The Company shall provide a car with driver and incur all expenses for the same upto Rs. 25,000/- (Rupees Twenty Five Thousand Only) p.m..
- Eligible for leaves as per the leave rules of the Company.
- Reimbursement of all expenses including entertainment and traveling incurred in the course of the business of the Company.
- Medical Insurance coverage upto Rs 3,50,000/- (Rupees Three Lacs Fifty Thousand Only) for self, family and dependents.
- Personal Accident Insurance coverage upto Rs 10,00,000/- (Rupees Ten Lacs Only) for self.

C. Performance linked incentive upto Rs. 60,00,000/- (Rupees Sixty Lacs Only) per year. This component is linked to performance of the Company and will be evaluated by the Remuneration Committee for every completed Financial Year and disbursed accordingly.

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

(iii) The non-executive directors were entitled to a sitting fee of Rs. 20,000/- for every Board Meeting attended by them. They are also entitled to a sitting fee of Rs. 20,000/- for every Audit Committee meeting of which they are member and is attended by them after 29th July 2013. 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.

(iv) 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 2014.

H. Subsidiary Companies

The Company had an Indian subsidiary, Cades Digitech Private Limited (CADES) 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. CADES in turn has a subsidiary Cades Studec Technologies (India) Pvt. Ltd., with 76% stake in it. Pursuant to the approval of the 'Scheme' mentioned in the above paragraphs, by the Hon'ble High Court of Delhi and Karnataka, CADES stands merged with Axis-IT&T Ltd. w.e.f. 24th March 2014 whereby Cades Studec Technologies (India) Pvt. Ltd. became the only Indian subsidiary of Axis-IT&T Ltd.

The company has 4 (four) 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., (formerly was a wholly owned subsidiary of Cades Digitech Private Limited).

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

I. Disclosures

Material Contracts/ Related Party Transaction

Transactions with related parties are disclosed in Note 29 to the financial statement in the Annual Report.

Disclosure of Accounting Treatment

The Company has adjusted the debit balance in the Statement of Profit and Loss amounting to ₹ 516,221,117 against Securities Premium Account which otherwise would not have been adjusted in terms of the provisions of the Act but has now been adjusted pursuant to the Scheme of Arrangement ('Scheme') between the Company and its subsidiary, Cades Digitech Private Limited, approved by the Hon'ble High Court of Karnataka and Hon'ble High Court of Delhi, made effective on 24 March 2014 with an appointed date of 1 April 2012.

J. Risk Management

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

K. 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.

L. Whistle Blower Policy

The Management framed a policy that provided a formal mechanism for all employees of the Company to approach

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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.

M. 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.

N. 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 information are also available at company's website: www.axisitt.com.

O. General Shareholder Information

a) AGM

Date : 9th September 2014

Time : 3.30 p.m.

Place : Sri Sathya Sai International Center and School,
Pragati Vihar, Lodhi Road,
New Delhi- 110003

b) Financial Year 2013-2014

c) Date of Book Closure 25th August 2014 till 9th September 2014 (both days inclusive.)

d) Dividend Payment Date N.A.

e) Listing on Stock Exchanges

Name and Address

BSE Limited
P.J. Towers, Dalal Street,
Fort, Mumbai – 400001

National Stock Exchange of India Ltd. (NSE)
Exchange Plaza, Bandra – Kurla Complex,
Bandra (East), Mumbai, 400051

f) Stock Code

Bombay Stock Exchange Limited (BSE) 532395

National Stock Exchange of India Ltd. (NSE) AXIS-IT&T

g) Market Price Data

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

Months	National Stock Exchange (NSE)		Stock Exchange, Mumbai (BSE)	
	High	Low	High	Low
April, 2013	54.50	40.40	53.90	37.00
May, 2013	52.00	43.30	54.90	44.55
June, 2013	49.70	44.00	50.95	42.65
July, 2013	51.00	40.55	52.00	40.35
August, 2013	41.00	28.05	40.05	28.30
September, 2013	55.65	51.75	57.45	30.55
October, 2013	56.85	42.05	56.45	43.30
November, 2013	63.80	47.10	68.00	47.50
December, 2013	57.10	47.00	55.40	47.00
January, 2014	51.00	41.65	51.45	40.90
February, 2014	44.95	38.10	44.85	38.10
March, 2014	43.90	37.20	44.45	37.60

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 Stakeholder Relationship Committee (formerly 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 2014 :

No. of shares	Holding	% to Capital	No. of accounts	% to total accounts
1-5000	856292	4.29	5326	91.84
5001-10000	289199	1.45	190	3.28
10001-20000	375141	1.88	126	2.17
20001-30000	186638	0.93	36	0.62

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No. of shares	Holding	% to Capital	No. of accounts	% to total accounts
30001-40000	111995	0.56	16	0.28
40001-50000	252821	1.27	27	0.47
50001-100000	650830	3.26	45	0.77
100001 and above	17237565	86.36	33	0.57
Grand Total	1,99,60,481	100.00	5799	100.00

ii. Categories of Shareholders as on 31 March 2014

Category	No. of shares	Percentage
Promoters Group – Indian	1,21,42,100	60.83%
Indian Public	49,38,832	24.74%
Bodies Corporate	28,27,956	14.17%
NRIs/ OCBs/ Foreign Nationals	47,208	0.24%
Others	4,385	0.02%
Total	1,99,60,481	100.00%

l) Dematerialization of shares and liquidity

The shares of the company are partly in electronic form and partly in physical form. The shares in electronic form are available for trading in depository system of both National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL). As on 31 March 2014, the position of Dematerialization is as follow:

	No. of Shares	% of Total Issue Capital
Held in Dematerialized form in CDSL	34,01,387	17.04%
Held in Dematerialized form in NSDL	1,65,14,925	82.74%
Held in Physical form	44169	0.22%
Total	1,99,60,481	100.00 %

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

As on 31 March 2014, 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/-
S.Valmeekanathan
Director

Sd/-
Kedar Nath Choudhury
Director

Place: New Delhi
Date: 30 May 2014

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Annexure 1- DETAILS OF OTHER DIRECTORSHIPS HELD AS ON 31.03.2014

Name of the Director	No. of other Directorship*/ Committee Memberships	Directorship	Committee Membership
Mr. S.Ravinarayanan	NIL	Cades Digitech Private Limited (merged into Axis-IT&T Ltd. effective date 24.03.2014)	-
Mr. S. Valmeeka Nathan	NIL	NIL	NIL
Mr. Rohitasava Chand	4/5	Cyber Media Limited Cades Digitech Private Limited (merged into Axis-IT&T Ltd. effective date 24.03.2014) Khandwala Securities Limited British Motor Car Co. Limited Saboo Coatings Limited	Audit Committee Remuneration Committee Audit Committee Remuneration Committee Compensation Committee Shareholders Committee Remuneration Committee
Mr. Kedar Nath Choudhury	1/0	Cades Digitech Private Limited (merged into Axis-IT&T Ltd. effective date 24.03.2014) Cades Studec Technologies (India) Pvt. Ltd.	Audit Committee Remuneration Committee
Mr. Pradeep Dadlani	1/0	Cades Digitech Private Limited (merged into Axis-IT&T Ltd. effective date 24.03.2014) Axis Aerospace & Technologies Ltd.	Audit Committee Remuneration Committee
Mr. Kailash M. Rustagi	NIL		-
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 2014	31 March 2013
Land	22.64	22.64
Buildings	130.02	132.72
Computer Systems	191.04	146.89
Furniture Fixtures	57.20	30.69
Office Equipment	76.67	27.66
Vehicles	-	0.61
Intangible Assets	765.52	382.59
Leasehold Improvements	26.48	10.84

3. Investment

During the year the Company made further investment of Rs. 22 lakhs in its wholly owned subsidiary Axis Mechanical Engineering Design (Wuxi) Co. Ltd.

Pursuant to the Scheme of Arrangement between Axis-IT&T Ltd. (Axis) and Cades Digitech Pvt. Ltd. (Cades) and its respective Shareholders, becoming effective all the investments held by Cades now becomes Axis investments and Axis investment in Cades stands cancelled.

4. Borrowings

During the year, the Company's borrowings are lower by Rs 6.67 Crores on a consolidated basis.

5. Net worth

The net worth of the Company as at 31st March 2014:-

- Consolidated Rs.101.30 Crores (Previous Year Rs 76.16 Crores)
- Stand alone Rs 77.09 Crores (Previous Year Rs 40.66 Crores)

6. Cash and cash equivalents

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

7. 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

Financial Performance

Total income: Rs. 309.89 Cr. (Consolidated) & Rs. 183.13 Cr. (Standalone)

Profit / (Loss) after Tax: Rs. 15.98 Cr. (Consolidated) & Rs. 8.20 Cr. (Standalone)

Your company has shown, on a consolidated basis, growth of 8.1 % in revenue and 9.3 % in profit after taxes during the year under review as compared to the corresponding previous year.

C. 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.

D. 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

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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.

For and on behalf of the Directors

Sd/-
S.Valmeekanathan
Director

Sd/-
Kedar Nath Choudhury
Director

Place: New Delhi

Date: 30 May 2014

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 2014

Date: 30 May 2014

Sd/-
S.Valmeekanathan
CEO
Axis-IT&T Ltd.

AXISCADES Engineering Technologies Limited
(formerly Axis-IT&T Limited)

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 2014 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

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 LLP**
(formerly Walker, Chandiok & Co)
Chartered Accountants
Firm Registration No.: 001076N/N500013

Bengaluru
9 July 2014

Sd/-
per **Aasheesh Arjun Singh**
Partner
Membership No.: 210122

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 2014, 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 notified under the Companies Act, 1956 ("the Act") read with the General Circular 15/2013 dated 13 September 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013. 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, but not for the purpose of expressing an opinion on the effectiveness of Company's internal control. 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 2014;
 - 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.

7. Emphasis of Matter

We draw attention to Note 2 to the financial statements in connection with the Scheme of Arrangement ('Scheme') between the Company and its subsidiary, Cades Digitech Private Limited, approved by the Hon'ble High Court of Karnataka and Hon'ble High Court of Delhi, made effective on 24 March 2014 with an appointed date of 1 April 2012. Pursuant to the terms of the said Scheme, the Company has adjusted the debit balance in the Statement of Profit and Loss amounting to ₹ 516,221,117 against Securities Premium Account which otherwise would not have been adjusted in terms of the provisions of the Act. Our opinion is not qualified in respect of this matter.

Report on Other Legal and Regulatory Requirements

8. 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.

AXISCADES Engineering Technologies Limited
(formerly Axis-IT&T Limited)

9. 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 notified under the Companies Act, 1956 read with the General Circular 15/2013 dated 13 September 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013; and
 - e. on the basis of written representations received from the directors, as on 31 March 2014 and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2014 from being appointed as a director in terms of clause (g) of sub-section (1) of Section 274 of the Act.

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

Sd/-
per **Aasheesh Arjun Singh**
Partner
Membership No.: 210122

New Delhi
30 May 2014

Annexure to the Independent Auditors' Report of even date to the members of Axis-IT&T Limited, on the financial statements for the year ended 31 March 2014

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 situation of fixed assets.
- (b) The fixed assets have been physically verified by the management during the year and no material discrepancies were noticed on such verification. In our opinion, the frequency of verification of the fixed assets is reasonable having regard to the size of the Company and the nature of its assets.
- (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.
- (b) 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) The Company has not entered into any contracts or arrangements referred to in Section 301 of the Act. Accordingly, the provisions of clause 4(v) of the Order are not applicable.
- (vi) The Company has not accepted any deposits from the public within the meaning of Sections 58A and 58AA of the Act and the Companies (Acceptance of Deposits) Rules, 1975. Accordingly, the provisions of clause 4(vi) of the Order are not applicable.
- (vii) In our opinion, the Company has an internal audit system commensurate with its size and the nature of its business.
- (viii) To the best of our knowledge and belief, the Central Government has not prescribed maintenance of cost records under clause (d) of sub-section (1) of Section 209 of the Act, in respect of Company's services. Accordingly, the provisions of clause 4(viii) of the Order are not applicable.
- (ix) (a) Undisputed statutory dues including provident fund, investor education and protection fund, employees' state insurance, income-tax, sales-tax, wealth tax, service tax, custom duty, excise duty, cess and other material statutory dues, as applicable, have generally been regularly deposited with the appropriate authorities, though there has been a slight delay in a few cases. 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 became payable.
- (b) The dues outstanding in respect of service tax on account of any dispute, are as follows:

Name of the statute	Nature of dues	Amount (₹)	Period to which the amount related	Forum where dispute is pending
Finance Act, 1994	Service tax on import of services	94,857,196*	April 2006 to September 2010	Commissioner of service tax

* Of the above, ₹ 7,818,233 has been remitted.

- (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 or financial institution during the year. The Company did not have any outstanding debentures during the year.

AXISCADES Engineering Technologies Limited
(formerly Axis-IT&T Limited)

- (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) In our opinion, the Company has applied the term loans for the purpose for which the loans were obtained.
- (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 LLP**
(formerly Walker, Chandiok & Co)
Chartered Accountants
Firm Registration No.: 001076N

Sd/-
per **Aasheesh Arjun Singh**
Partner
Membership No.: 210122

New Delhi
30 May 2014

AXISCADES Engineering Technologies Limited
(formerly Axis-IT&T Limited)

Balance Sheet	NOTE	As at 31 March 2014 ₹	As at 31 March 2013 ₹
EQUITY AND LIABILITIES			
SHAREHOLDERS' FUNDS			
Share capital	4	99,955,705	99,955,705
Reserves and surplus	5	634,828,975	306,601,712
		734,784,680	406,557,417
SHARES PENDING ALLOTMENT			
	2	36,145,560	-
NON-CURRENT LIABILITIES			
Long-term borrowings	6	82,707,895	-
Long-term provisions	7	26,323,938	11,203,252
		109,031,833	11,203,252
CURRENT LIABILITIES			
Short-term borrowings	6	186,653,278	45,785,250
Trade payables	9	153,603,580	31,780,216
Other current liabilities	10	167,785,201	29,503,296
Short-term provisions	7	2,880,478	402,845
		510,922,537	107,471,607
TOTAL		1,390,884,610	525,232,276
ASSETS			
NON-CURRENT ASSETS			
Fixed assets			
Tangible assets	11	50,406,513	37,204,617
Intangible assets	12	76,551,648	38,259,347
Intangible assets under development	13	141,349,987	-
Non-current investments	14	232,564,184	267,735,487
Deferred tax assets, net	16	32,544,254	12,461,832
Long-term loans and advances	17	183,601,420	45,338,052
Other non-current assets	18	331,075	492,539
		717,349,081	401,491,874
CURRENT ASSETS			
Trade receivables	15	434,228,565	95,525,263
Cash and bank balances	19	59,272,034	1,763,856
Short-term loans and advances	17	52,137,560	21,768,308
Other current assets	18	127,897,370	4,682,975
		673,535,529	123,740,402
TOTAL		1,390,884,610	525,232,276

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

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

For **Walker Chandiok & Co LLP**
(formerly Walker, Chandiok & Co)
Chartered Accountants

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

New Delhi
30 May 2014

For and on behalf of the Board of Directors

Sd/-
Kedar Nath Choudhury
Director

Sd/-
Valmeekanathan S.
Director & CEO

Sd/-
Shweta Agrawal
Company Secretary

New Delhi
30 May 2014

AXISCADES Engineering Technologies Limited
(formerly Axis-IT&T Limited)

Statement of Profit and Loss	NOTE	Year ended 31 March 2014	Year ended 31 March 2013
		₹	₹
INCOME			
Revenue from operations	20	1,810,889,333	545,423,767
Other income	21	20,427,093	2,319,402
TOTAL		1,831,316,426	547,743,169
EXPENSES			
Employee benefits expense	22	1,022,028,988	260,113,201
Other expenses	23	601,100,926	155,387,743
TOTAL		1,623,129,914	415,500,944
EARNINGS BEFORE INTEREST, TAX, DEPRECIATION AND AMORTISATION (EBITDA)		208,186,512	132,242,225
Depreciation and amortisation expense	24	70,402,162	23,932,451
Finance costs	25	34,440,775	11,161,839
PROFIT BEFORE TAX		103,343,575	97,147,935
Tax expense:			
- Current tax		36,359,779	33,904,448
- Reversal of excess tax provision of prior year		(20,456,230)	-
- Deferred tax expense/(credit)		16,915,085	(10,774,309)
- Minimum alternate tax credit of prior year		(11,508,959)	-
NET PROFIT FOR THE YEAR		82,033,900	74,017,796
Earnings per equity share:			
- Basic	26	4.11	3.71
- Diluted		3.02	3.71
Nominal value per share		5.00	5.00

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

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

For **Walker Chandiok & Co LLP**
(formerly Walker, Chandiok & Co)
Chartered Accountants

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

New Delhi
30 May 2014

For and on behalf of the Board of Directors

Sd/-
Kedar Nath Choudhury
Director

Sd/-
Valmeekanathan S.
Director & CEO

Sd/-
Shweta Agrawal
Company Secretary

New Delhi
30 May 2014

Cash Flow Statement

	Year ended 31 March 2014 ₹	Year ended 31 March 2013 ₹
A. Cash flow from operating activities		
Profit before tax	103,343,575	97,147,935
Adjustment for :		
Depreciation and amortisation expense	70,402,162	23,932,451
Unrealised foreign exchange loss	(7,801,134)	533,643
Finance costs	34,440,775	13,025,834
Miscellaneous expenditure written off	519,000	519,000
Provision for doubtful debts and unbilled revenue	10,648,829	-
Diminution in the value of non-current investment	3,500,000	-
Interest income	(4,331,460)	(256,902)
Operating profit before working capital changes	210,721,747	134,901,961
Movements in working capital		
Decrease in trade receivables	17,562,924	49,953,651
Increase in other current assets	(47,620,828)	(1,408,415)
Increase in loans and advances	(40,012,653)	(11,189,150)
(Decrease) / increase in current liabilities	(7,500,371)	10,461,599
Increase/ (Decrease) in provisions	1,803,442	(12,896,520)
Cash from operating activities	134,954,261	169,823,126
Direct taxes paid (Net of repayments)	(8,560,935)	-
Net cash from operating activities (A)	126,393,326	169,823,126
B. Cash flow from investing activities		
Purchase of fixed assets	(7,818,860)	(52,972,198)
Development of intangible assets (process manuals)	(17,438,811)	-
Interest received	4,906,551	231,315
Investments in fixed deposits (net of realisation)	(7,045,276)	-
Investment in subsidiary	-	(2,068,035)
Purchase consideration for acquisition of a subsidiary	(74,166,536)	-
Net cash (used in) investment activities (B)	(101,562,932)	(54,808,918)
C. Cash flow from financing activities		
Repayments of intercorporate deposits	(227,792,105)	(145,500,000)
Proceeds from intercorporate deposits	189,000,000	30,500,000
(Repayments of) / proceeds from working capital loan, net	(116,348,442)	14,657,369
Proceeds from term loan from bank	150,000,000	-
Repayments of term loan from bank	(20,700,000)	-
Finance costs	(34,440,775)	(12,985,740)
Net cash (used in) financing activities (C)	(60,281,322)	(113,328,371)
Net (decrease) / increase in cash and cash equivalents (A+B+C)	(35,450,928)	1,685,837
Cash and cash equivalents pursuant to the Scheme (Also, refer note 2)	54,165,848	-
Cash and cash equivalents as at beginning of the year	1,763,856	78,019
Cash and cash equivalents as at end of the year	20,478,776	1,763,856

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

For **Walker Chandiok & Co LLP**
(formerly Walker, Chandiok & Co)
Chartered Accountants

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

New Delhi
30 May 2014

For and on behalf of the Board of Directors

Sd/-
Kedar Nath Choudhury
Director

Sd/-
Valmeekananthan S.
Director & CEO

Sd/-
Shweta Agrawal
Company Secretary

New Delhi
30 May 2014

Notes to the financial statements for the year ended 31 March 2014

1. BACKGROUND

AXIS-IT&T Limited ('the Company/Axis'), a public limited company, 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.

2 SCHEME OF ARRANGEMENT (SCHEME)

- (a) The Board of Directors of the Company, in the meeting held on 23 January 2013 had approved the Scheme of Arrangement ('the Scheme') whereby Cades Digitech Private Limited ('subsidiary/Cades') was proposed to be merged with the Company, the transferee company. The appointed date of the Scheme was 01 April 2012 and was subject to the approval of the majority of the shareholders and creditors of Axis and Cades, the Honourable Delhi High Court and the Honourable Karnataka High Court and the permission and approval of any other statutory or regulatory authorities, as applicable.

Subsequent to the various statutory approvals, the Honourable High Court of Karnataka vide its order dated 17 December 2013 and Honourable High Court of Delhi vide its order dated 10 March 2014 has approved the Scheme, a copy of which was filed with the Office of Registrar of Companies, New Delhi on 24 March 2014 and accordingly the Scheme has come into effect from 24 March 2014 (the Effective Date) with the Appointed Date being 1 April 2012. The Scheme is presented under Sections 391 to 394 read with Sections 78, 100 to 103 of the Companies Act, 1956 ('the Act').

- (b) Pursuant to the Scheme, the shareholders of Cades are eligible to receive 10 equity shares of Axis of par value of ₹ 5 each fully paid up for 12 equity shares held in Cades of par value of ₹ 10 each fully paid up ('Swap ratio'), with record date being 11 April 2014 as fixed by the Board of Directors of the Company. Pending the allotment of said equity shares as at 31 March 2014, the amount of ₹ 36,145,560 has been included under the Shares pending allotment account.

In accordance with Part B of the Scheme, all the assets and liabilities of Cades have been transferred to Axis with effect from the Appointed Date at the respective carrying values in the financial statements of Cades. In accordance with the Pooling of Interests Method outlined in AS-14 Accounting for Amalgamations prescribed by Companies (Accounting Standard) Rules, 2006, the surplus of the net assets acquired over the consideration issued and the cancellation of the investment of Axis in Cades has been credited to Capital Reserve determined as follows:

	(Amount in ₹)
	Cades Digitech Private Limited
	As at 01 April 2012
NON-CURRENT ASSETS	
Fixed Assets (net)	72,510,759
Intangible assets under development	77,163,400
Non-current investments	9,596
Long-term loans and advances	63,480,258
	213,164,013
CURRENT ASSETS	
Trade receivables	317,004,344
Cash and bank balances	46,758,723
Short-term loans and advances	44,235,803
Other current assets	70,767,066
	478,765,936
TOTAL	A 691,929,949

Notes to the financial statements for the year ended 31 March 2014 (Contd.)

		(Amount in ₹)
		Cades Digitech Private Limited
		As at 01 April 2012
RESERVES AND SURPLUS		
Deficit in Statement of Profit and Loss		(486,102,189)
Hedge reserve		(8,141,154)
Securities premium		654,961,656
		160,718,313
NON-CURRENT LIABILITIES		
Long-term borrowings		5,700,000
Long-term provisions		9,959,214
		15,659,214
CURRENT LIABILITIES		
Short-term borrowings		134,571,451
Trade payables		99,809,614
Other current liabilities		99,490,492
Short-term provisions		4,261,515
		338,133,072
TOTAL	B	514,510,599
Net value of assets transferred pursuant to Scheme of Arrangement	(C = A-B)	177,419,350
Investment by Axis in Cades (9,067,000 equity shares of ₹10 each, fully paid up)	(D)	105,847,435
Equity shares to be issued, held in shares pending allotment account (7,229,112 equity shares of ₹5 each, fully paid up)	(E)	36,145,560
Surplus credited to Capital Reserve	(F = C - (D+E))	35,426,355

- (c) Pursuant to giving effect to Part B of the Scheme, in accordance with Part C, the deficit in the Statement of Profit and Loss of the Company amounting to ₹ 551,647,472, representing the combined deficits of Axis ₹ 65,545,283 and Cades ₹ 486,102,189 as at 31 March 2012 have been utilised from the Capital Reserve and Securities Premium account which otherwise would not have been adjusted as per the Act as follows:

		(Amount in ₹)
Capital reserve		35,426,355
Securities premium		516,221,117
Total		551,647,472

Had the Scheme not prescribed the aforesaid accounting treatment, as at 31 March 2014, the balance in Capital Reserve would have been higher by ₹ 35,426,355; balance in Securities Premium Account would have been higher by ₹ 516,221,117 and accumulated deficit in the Statement of Profit and Loss would have been higher by ₹551,647,472.

- (d) The net profit of Cades for the year ended 31 March 2013 amounting to ₹42,658,228 has been added to the accumulated surplus under the Statement of Profit and Loss of the Company and the results of operations of Cades have been included with that of the Company for the year ended 31 March 2014.
- (e) Included in the reversal of excess tax provision is ₹ 8,554,748 representing the provision for tax no longer required consequent to the revised return of income tax to be filed for the assessment year 2013-14. Additionally, during the year ended 31 March 2014, the Company has also recognised a MAT credit of ₹ 11,508,959 representing the credit available to the Company for the assessment year 2013-14, consequent to the merger of Cades pursuant to the Scheme.

Notes to the financial statements for the year ended 31 March 2014 (Cont'd)

3 SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of preparation of financial statements

The financial statements are prepared under historical cost convention in accordance with the generally accepted accounting principles in India (Indian GAAP) and comply in all material respects with the mandatory Accounting Standards (AS) notified under the Companies Act, 1956 read with the General Circular 15/2013 dated 13 September 2013 of the Ministry of Corporate Affairs in respect of section 133 of the Companies Act, 2013, and with the relevant provisions of the Act, pronouncements of The Institute of Chartered Accountants of India ('ICAI'). The accounting policies applied by the Company are consistent with those used in the prior period.

(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. Advances paid towards the acquisition of intangible assets outstanding at each Balance Sheet date are disclosed as other non-current assets and the cost of intangible assets not ready for their intended use before such date are disclosed as capital work-in-progress.

Notes to the financial statements for the year ended 31 March 2014 (Contd.)

Intangibles under development represent the costs incurred in the creation of engineering and design process manuals.

Capitalised costs that are directly attributable to the development phase are recognised as intangible assets provided that they meet the following recognition requirements:

- demonstration of technical feasibility of the prospective product or processes for sale
- the intangible asset will generate probable economic benefits through sale
- sufficient technical, financial and other resources are available for completion
- the intangible asset can be reliably measured.

Depreciation/amortisation

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

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

Asset category	Useful lives (In years)
Computers	3
Furniture and fixtures	7
Office equipments	7
Electrical installations	7
Office buildings	61
Vehicles	5
Softwares	3

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.

Non-compete fee is amortised over the period of expected benefit. Goodwill on amalgamation is being amortised over the period of 5 years. Process manuals are amortised over the period of 7 years (project term) or the useful life of the process manual, 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.

(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.

Notes to the financial statements for the year ended 31 March 2014 (Contd.)

(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 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.

Overseas social security

The Company contributes to social security charges of countries to which the Company deutes its employees on employment. The plans are defined contribution plan and contributions paid or payable is recognised as an expense

Notes to the financial statements for the year ended 31 March 2014 (Contd.)

in these periods in which the employee renders services in those respective countries.

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.

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.

Notes to the financial statements for the year ended 31 March 2014 (Contd.)

(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 comprise cash at bank and in hand and short-term investments with an original maturity of three months or less.

Notes to the financial statements for the year ended 31 March 2014 (Contd.)

	As at 31 March 2014		As at 31 March 2013	
	Number	₹	Number	₹
4. SHARE CAPITAL				
Authorised				
Equity shares of ₹ 5 each	108,000,000	540,000,000	72,000,000	360,000,000
Preference shares of ₹ 100 each	100,000	10,000,000	100,000	10,000,000
	108,100,000	550,000,000	72,100,000	370,000,000
Issued share capital				
Equity shares of ₹ 5 each fully paid up	20,011,581	100,057,905	20,011,581	100,057,905
Subscribed and paid up				
Equity shares of ₹ 5 each fully paid	19,960,481	99,802,405	19,960,481	99,802,405
Add: Forfeited shares (amount originally paid ₹ 3 per share on 51,100 equity shares)	-	153,300	-	153,300
	19,960,481	99,955,705	19,960,481	99,955,705

(a) Reconciliation of the equity shares	As at 31 March 2014		As at 31 March 2013	
	Number	₹	Number	₹
Balance at the beginning of the year	19,960,481	99,955,705	19,960,481	99,955,705
Add : Issued during the year	-	-	-	-
Balance at the end of the year	19,960,481	99,955,705	19,960,481	99,955,705

(b) Terms and rights attached to equity shares

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

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

(c) Shares held by the holding company	As at 31 March 2014		As at 31 March 2013	
	Number	₹	Number	₹
Tayana Digital Private Limited	12,142,100	60,710,500	12,142,100	60,710,500

(d) Details of shareholders holding more than 5% shares in the company	As at 31 March 2014		As at 31 March 2013	
	Number	₹	Number	₹
(i) Tayana Digital Private Limited	12,142,100	60,710,500	12,142,100	60,710,500
(ii) Yukti Securities Private Limited	1,172,208	5,861,040	1,172,208	5,861,040
	13,314,308	66,571,540	13,314,308	66,571,540

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

Notes to the financial statements for the year ended 31 March 2014 (Contd.)

5. RESERVES AND SURPLUS

	As at 31 March 2014	As at 31 March 2013
	₹	₹
(a) Securities premium account		
Balance at the beginning of the year	298,129,199	298,129,199
Add: Addition on account of the Scheme (Also, refer note 2)	654,961,656	-
Less: Deficit transferred from Statement of Profit and Loss as per the Scheme (Also, refer note 2)	(516,221,117)	-
Balance at the end of the year	436,869,738	298,129,199
(b) Capital reserve account		
Balance at the beginning of the year	-	-
Add: Reserve created as per the Scheme (Also, refer note 2)	35,426,355	-
Less: Deficit transferred from Statement of Profit and Loss as per the Scheme (Also, refer note 2)	(35,426,355)	-
Balance at the end of the year	-	-
(c) Surplus/(Deficit) in the Statement of Profit and Loss		
Balance at the beginning of the year	8,472,513	(65,545,283)
Add: Addition on account of the Scheme (Also, refer note 2)	(486,102,189)	-
Add: Net profit of Cades for the period from 1 April 2012 (appointed date) to 31 March 2013 (Also, refer note 2)	42,658,228	-
	(434,971,448)	(65,545,283)
Add: Deficit adjusted through transfer to Capital Reserve and Securities Premium account (see notes (a) and (b) above) as per the Scheme of Arrangement (Also, refer note 2)	551,647,472	-
Add: Transferred from Statement of Profit and Loss	82,033,900	74,017,796
Balance at the end of the year	198,709,924	8,472,513
(d) Hedge reserve		
Balance at the beginning of the year	-	(7,163,655)
Movement during the year	(750,687)	7,163,655
Balance at the end of the year	(750,687)	-
Total	634,828,975	306,601,712

Notes to the financial statements for the year ended 31 March 2014 (Contd.)

6. BORROWINGS	As at 31 March 2014		As at 31 March 2013	
	Long-term	Short-term	Long-term	Short-term
	₹	₹	₹	₹
Secured				
Term loan	135,000,000	-	-	-
Less: Current maturities of long-term borrowings (Also, refer note 10)	(60,000,000)	-	-	-
Working capital loan	-	186,653,278	-	45,785,250
Unsecured				
Intercompany deposit	7,707,895	-	-	-
Total	82,707,895	186,653,278	-	45,785,250

(a) Details of security for borrowings

Term loan from a bank is secured by first exclusive charge on both moveable and immoveable assets, current assets of the Company and corporate guarantee vide an equitable mortgage on land owned by a related party (also refer note 29 (iii)) situated at Survey No 20, Part 14 and 15, Keonics, Electronic City, Konappana Agrahara Village, Begur Hobli, Bangalore.

Working capital loans (inclusive of packing credit facility in foreign currency) from a bank are secured by first exclusive charge on current assets and by a corporate guarantee from Axis Aerospace & Technologies Limited.

Intercompany deposits are secured by demand promissory note for the loan together with interest thereon.

(b) Terms of repayment of borrowings

Term loans having an interest rate of bank's base rate plus 2.50% are repayable from March 2014 over 10 equal quarterly instalments.

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

Intercompany deposits from Axis Aerospace & Technologies Limited carrying an interest rate of 11% per annum are repayable within 3 years from the date of availment.

7. PROVISIONS	As at 31 March 2014		As at 31 March 2013	
	Long-term	Short-term	Long-term	Short-term
	₹	₹	₹	₹
Provision for employee benefits				
Gratuity (Also, refer note 8(a) below)	18,301,933	469,255	6,863,556	174,616
Compensated absences	7,892,560	2,411,223	4,339,696	228,229
	26,194,493	2,880,478	11,203,252	402,845
Other provisions				
Fringe benefit tax, net of advance tax	129,445	-	-	-
	129,445	-	-	-
	26,323,938	2,880,478	11,203,252	402,845

Notes to the financial statements for the year ended 31 March 2014 (Contd.)

8. EMPLOYEE BENEFIT OBLIGATIONS

(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 2014	Year ended 31 March 2013
	₹	₹
Changes in the present value of the defined benefit obligation are as follows:		
Defined benefit obligation at the beginning of the year	7,038,172	4,790,949
Defined benefit obligation assumed pursuant to the Scheme (Refer note 2)	7,448,943	-
Current service cost	4,630,311	2,439,206
Interest cost	575,071	383,276
Benefits paid	(1,527,057)	(34,788)
Actuarial loss/(gains)	605,748	(540,471)
Defined benefit obligation at the end of the year	18,771,188	7,038,172
Components of net gratuity costs are		
Current service cost	4,630,311	2,439,206
Interest on defined benefit obligation	575,071	383,276
Net actuarial loss/(gains) recognised in year	605,748	(540,471)
Expenses recognised in the Statement of Profit and Loss for the year	5,811,130	2,282,011

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

Discount rate	9.17%	8.50%
Salary escalation rate	5.60%	6.00%
Retirement age	58 Years	58 Years

Present value of unfunded obligations as at:

	31 March 2010	31 March 2011	31 March 2012	31 March 2013	31 March 2014
Net liability recognised in the Balance Sheet	5,696,709	3,513,678	4,790,949	7,038,172	18,771,188
	5,696,709	3,513,678	4,790,949	7,038,172	18,771,188

(b) Defined contribution plan

The Company makes contribution of statutory provident fund as per Employees Provident Fund and Miscellaneous Provision Act, 1952. This is a defined contribution plan as per AS 15. Contribution made during the year ended 31 March 2014 is ₹ 21,056,761 (31 March 2013: ₹ 9,869,184).

Notes to the financial statements for the year ended 31 March 2014 (Contd.)

(c) Overseas social security

The Company makes contribution towards social security charges for its employees located at the respective branch offices in respective foreign geographies, which is a defined contribution plan. The contributions paid or payable is recognised as an expense in the period in which the employee renders services in respective geographies. Contribution made during the year ended 31 March 2014 is ₹ 67,309,109 (31 March 2013: ₹ Nil).

9. TRADE PAYABLES	As at 31 March 2014 ₹	As at 31 March 2013 ₹
Dues to micro and small enterprises (Also, refer note (a) below)	-	-
Dues to others	153,603,580	31,780,216
	153,603,580	31,780,216

(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 2014 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.

10. OTHER CURRENT LIABILITIES	As at 31 March 2014 ₹	As at 31 March 2013 ₹
Duties and taxes payable	25,609,107	4,956,073
Advance from customers	52,632,740	625,574
Dues to employees	24,584,881	23,921,649
Current maturities of long-term borrowings (Also, refer note 6)	60,000,000	-
Creditors for capital goods	4,207,787	-
Hedge liability	750,686	-
	167,785,201	29,503,296

Notes to the financial statements for the year ended 31 March 2014 (Contd.)

	(Amount in ₹)							Total	
	Freehold land	Computers	Furniture and fixtures	Office equipments	Electrical installations	Office building	Vehicles		Leasehold improvements
Gross block									
Balance as at 1 April 2012	2,264,437	18,722,084	10,326,787	7,732,505	2,059,794	16,581,724	1,756,330	-	59,443,661
Additions	-	19,009,879	570,308	715,469	-	-	-	1,414,400	21,710,056
Balance as at 31 March 2013	2,264,437	37,731,963	10,897,095	8,447,974	2,059,794	16,581,724	1,756,330	1,414,400	81,153,717
Acquired pursuant to the Scheme (Refer note 2)	-	47,261,538	4,272,976	7,554,528	-	-	-	2,775,981	61,865,023
Additions	-	3,495,547	154,535	649,095	-	-	-	218,566	4,517,743
Balance as at 31 March 2014	2,264,437	88,489,048	15,324,606	16,651,597	2,059,794	16,581,724	1,756,330	4,408,947	147,536,483
Accumulated depreciation									
Balance as at 1 April 2012	-	16,518,272	6,850,318	4,919,997	2,051,117	3,039,642	1,344,434	-	34,723,780
Charge for the year	-	6,524,344	978,171	762,200	8,677	270,282	351,266	330,380	9,225,320
Balance as at 31 March 2013	-	23,042,616	7,828,489	5,682,197	2,059,794	3,309,924	1,695,700	330,380	43,949,100
Assumed pursuant to the Scheme (Refer note 2)	-	28,875,163	330,063	1,498,213	-	-	-	140,144	30,843,583
Charge for the year	-	17,466,549	1,445,163	1,804,433	-	270,282	60,630	1,290,230	22,337,287
Balance as at 31 March 2014	-	69,384,328	9,603,715	8,984,843	2,059,794	3,580,206	1,756,330	1,760,754	97,129,970
Net block									
At 31 March 2013	2,264,437	14,689,347	3,068,606	2,765,777	-	13,271,800	60,630	1,084,020	37,204,617
At 31 March 2014	2,264,437	19,104,720	5,720,891	7,666,754	-	13,001,518	-	2,648,193	50,406,513

Notes to the financial statements for the year ended 31 March 2014 (Contd.)

12. INTANGIBLE ASSETS

(Amount in ₹)

	Non-competee fees	Softwares	Process manuals	Goodwill	Total
Gross block					
Balance as at 1 April 2012	1,971,000	46,880,659	-	16,445,348	65,297,007
Additions	-	31,262,142	-	-	31,262,142
Balance as at 31 March 2013	1,971,000	78,142,801	-	16,445,348	96,559,149
Acquired pursuant to the Scheme (Refer note 2)	-	227,838,866	-	-	227,838,866
Additions	-	7,479,624	40,830,631	-	48,310,255
Balance as at 31 March 2014	1,971,000	313,461,291	40,830,631	16,445,348	372,708,270
Accumulated amortisation					
Balance as at 1 April 2012	1,971,000	25,176,323	-	16,445,348	43,592,671
Charge for the year	-	14,707,131	-	-	14,707,131
Balance as at 31 March 2013	1,971,000	39,883,454	-	16,445,348	58,299,802
Assumed pursuant to the Scheme (Refer note 2)	-	189,791,945	-	-	189,791,945
Charge for the year	-	44,866,629	3,198,246	-	48,064,875
Balance as at 31 March 2014	1,971,000	274,542,028	3,198,246	16,445,348	296,156,622
Net block					
At 31 March 2013	-	38,259,347	-	-	38,259,347
At 31 March 2014	-	38,919,263	37,632,385	-	76,551,648

13. INTANGIBLE ASSETS UNDER DEVELOPMENT

(Amount in ₹)

	Process manuals	Total
Balance as at 1 April 2012	-	-
Additions during the year	-	-
Balance as at 31 March 2013	-	-
Acquired pursuant to the Scheme (Refer note 2)	164,741,807	164,741,807
Additions during the year	17,438,811	17,438,811
Less: Capitalised during the year	40,830,631	40,830,631
Balance as at 31 March 2014	141,349,987	141,349,987

AXISCADES Engineering Technologies Limited
(formerly Axis-IT&T Limited)

Notes to the financial statements for the year ended 31 March 2014 (Contd.)

14. NON-CURRENT INVESTMENTS (Unquoted, valued at cost unless stated otherwise)	As at 31 March 2014 ₹	As at 31 March 2013 ₹
Trade		
Investments in equity instruments		
In subsidiaries		
Axis Inc., U.S.A.		
19,725 (31 March 2013: 19,725) equity shares	148,906,359	148,906,359
Cades Studec Technologies (India) Private Limited		
475,000 equity shares (31 March 2013: Nil) of 10 each	71,966,083	-
Cades Digitech Private Limited		
Nil (31 March 2013: 9,067,000) equity shares of ₹ 10 each fully paid up (Refer note 2)	-	105,847,435
Cades Technology Canada Inc.		
100 equity shares (31 March 2013: 100) of CAN\$ 1 each	4,596	-
Axis Mechanical Engineering Design (Wuxi) Co., Ltd.,	4,268,488	2,068,035
Other investments		
Axis Cogent Global Limited		
946,822 (31 March 2013: 946,822) equity shares of ₹ 10 each fully paid up	10,913,658	10,913,658
Datum Technology Limited		
50,000 (31 March 2013: 50,000) equity shares of ₹ 10 each	500,000	500,000
	<u>236,559,184</u>	<u>268,235,487</u>
Less: Provision for diminution in the value of long term investments		
Datum Technology Limited	(500,000)	(500,000)
Axis Cogent Global Limited	(3,500,000)	-
	<u>(4,000,000)</u>	<u>(500,000)</u>
Others		
National Savings Certificates	5,000	-
	<u>232,564,184</u>	<u>267,735,487</u>
15. TRADE RECEIVABLES (Unsecured)		
Outstanding for a period exceeding six months from the date they are due for payment		
Considered good	10,023,241	652,206
Doubtful	82,960,710	1,089,339
	<u>92,983,951</u>	<u>1,741,545</u>
Other debts		
Considered good	424,205,324	94,873,057
	<u>517,189,275</u>	<u>96,614,602</u>
Less: Allowances for doubtful debts	(82,960,710)	(1,089,339)
	<u>434,228,565</u>	<u>95,525,263</u>
	<u>434,228,565</u>	<u>95,525,263</u>

As at 31 March 2014, trade receivables include a sum of ₹ 42,675,190 (31 March 2013: ₹ Nil) 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.

Notes to the financial statements for the year ended 31 March 2014 (Contd.)

16. DEFERRED TAXES

	As at 31 March 2014	As at 31 March 2013
	₹	₹
Deferred tax assets		
Provision for doubtful trade receivables	26,916,602	353,436
Provision for unbilled revenue	3,405,877	-
Provision for employee benefits	9,625,685	5,346,626
Lease rent equalisation	1,093,693	531,789
Provision for doubtful service tax	470,039	470,039
Provision for doubtful advances	-	8,093,704
Total	41,511,896	14,795,594
Deferred tax liabilities		
Timing difference on depreciation and amortisation	8,967,642	2,333,762
Total	8,967,642	2,333,762
Deferred tax asset, net	32,544,254	12,461,832

Note: Pursuant to the Scheme (refer note 2), net deferred tax assets of ₹ 37,052,267 of Cades has been incorporated in the current year. The net movement in deferred tax assets is on account of the same and the current year deferred tax charge amounting to ₹16,915,085 recognised in the Statement of Profit and Loss.

17. LOANS AND ADVANCES

(Unsecured)

	As at 31 March 2014		As at 31 March 2013	
	Long-term	Short-term	Long-term	Short-term
	₹	₹	₹	₹
Security deposit				
Considered good	52,380,365	955,069	14,741,585	-
Doubtful	-	-	24,945,920	-
	52,380,365	955,069	39,687,505	-
Allowances for doubtful advances	-	-	(24,945,920)	-
	52,380,365	955,069	14,741,585	-
Loans and advances to related parties				
Expenses incurred on behalf of,				
- Subsidiaries	-	6,662,754	-	2,609,447
- Holding Company	-	977,339	-	-
	-	7,640,093	-	2,609,447
Other loans and advances				
Advance income tax (net of provisions)	56,646,598	-	14,282,692	-
MAT credit entitlement	27,384,670	-	15,875,711	-
Service tax input credit	43,050,195	22,877,470	-	6,094,239
Prepaid expenses	4,139,592	12,829,424	438,064	11,082,004
Advance to suppliers	-	4,880,054	-	1,027,234
Advance to employees	-	4,404,175	-	2,404,109
	131,221,055	44,991,123	30,596,467	20,607,586
Allowances for doubtful service tax receivable	-	(1,448,725)	-	(1,448,725)
	131,221,055	43,542,398	30,596,467	19,158,861
	183,601,420	52,137,560	45,338,052	21,768,308

Notes to the financial statements for the year ended 31 March 2014 (Contd.)

18. OTHER ASSETS	As at 31 March 2014		As at 31 March 2013	
	Non-current	Current	Non-current	Current
	₹	₹	₹	₹
Unbilled revenue				
Considered good	-	124,969,056	-	4,105,044
Doubtful	-	10,497,386	-	-
	-	135,466,442	-	4,105,044
Less : Allowances for doubtful unbilled revenue	-	(10,497,386)	-	-
	-	124,969,056	-	4,105,044
Miscellaneous expenses to the extent not written off	-	-	-	519,000
Bank deposits with maturity of more than 12 months (Also refer note 19)	331,075	-	492,539	-
Interest accrued	-	2,928,314	-	58,931
	331,075	127,897,370	492,539	4,682,975

19. CASH AND BANK BALANCES	As at 31 March 2014		As at 31 March 2013	
	Non-current	Current	Non-current	Current
	₹	₹	₹	₹
Cash and cash equivalents				
Cash on hand	-	89,918	-	9,220
Balances with banks:				
in current accounts	-	11,496,776	-	256,313
in Exchange Earners Foreign Currency accounts	-	8,892,082	-	1,498,323
	-	20,478,776	-	1,763,856
Other bank balances				
Margin money deposits (Also refer note a)	331,075	38,775,758	-	-
Deposits with original maturity for more than three months	-	17,500	492,539	-
	331,075	38,793,258	492,539	-
Less : Amounts disclosed as other non-current assets (Refer note 18)				
Margin money deposits	(331,075)	-	-	-
Other deposits	-	-	(492,539)	-
	-	59,272,034	-	1,763,856

- Fixed deposits of a carrying amount ₹38,775,758 (31 March 2013: ₹ Nil) have been deposited as margin money at 20% against the Packing credit facility loan availed from a bank.
- Deposits of a carrying amount ₹ 331,075 (31 March 2013: ₹ Nil) have been deposited as bank guarantee towards lien on customs department and various customers.

Notes to the financial statements for the year ended 31 March 2014 (Contd.)

20. REVENUE FROM OPERATIONS	Year ended 31 Mar 2014	Year ended 31 March 2013
	₹	₹
Engineering design services	1,810,889,333	545,423,767
	<u>1,810,889,333</u>	<u>545,423,767</u>
21. OTHER INCOME		
Guarantee fees	2,642,475	2,062,500
Net gain on foreign currency transaction and translation	8,310,522	-
Interest income		
- from fixed deposits	4,331,460	256,902
- lease deposits	4,703,787	-
- on income-tax refund	438,849	-
	<u>20,427,093</u>	<u>2,319,402</u>
22. EMPLOYEE BENEFIT EXPENSES		
Salaries, wages and bonus ¹	911,495,561	240,729,024
Contribution to provident fund	21,056,761	9,869,184
Overseas employee benefits	67,309,109	-
Provision for gratuity (Also, refer note 8(a))	5,811,130	2,282,011
Provision for compensated absences	2,345,786	1,647,934
Staff welfare expense	14,010,641	5,585,048
	<u>1,022,028,988</u>	<u>260,113,201</u>
23. OTHER EXPENSES		
Rent	86,775,847	35,478,675
Electricity charges	19,898,989	12,340,416
Travelling and conveyance	71,614,878	19,860,615
Legal and professional charges	20,853,173	4,153,435
Repairs and maintenance		
- Building	15,916,031	7,909,036
- Others	2,977,350	3,261,829
Auditor's remuneration (Also, refer note 32)	2,542,367	1,675,870
Equipment hire charges	32,080,046	19,812,347
Recruitment and training expenses	8,551,182	1,436,305
Advertising expenses	5,646,896	4,218,565
Communication expenses ¹	11,499,211	2,746,417
Software subscription charges	33,590,827	-
Infrastructure usage charges	91,584,247	-
Printing and stationery	2,362,058	1,509,407
Security charges	2,611,570	1,326,566
Rates and taxes	2,935,174	300,358

¹ Net of salary costs of ₹ 3,654,188 (31 March 2013: ₹ Nil) capitalised towards creation of intangible assets under development.

Notes to the financial statements for the year ended 31 March 2014 (Contd.)

	Year ended 31 Mar 2014	Year ended 31 March 2013
	₹	₹
Project consultancy charges ²	167,182,329	15,549,585
Insurance expenses	109,167	115,867
Bank charges	2,192,801	1,863,995
Postage and courier charges	914,782	213,206
Provision for doubtful debtors	3,619,940	-
Provision for doubtful unbilled revenue	7,028,889	-
Provision for diminution in value of investments	3,500,000	-
Net loss on foreign currency transaction and translation	-	12,123,137
Directors sitting fees	780,000	510,000
Sales commission	3,325,416	8,408,436
Miscellaneous expenses	1,007,756	573,676
	601,100,926	155,387,743

¹ Net of internet charges of ₹ 6,164,220 (31 March 2013: ₹ Nil) capitalised towards creation of intangible assets under development.

² Net of professional consultancy fee of ₹ 7,620,402 (31 March 2013: ₹ Nil) capitalised towards creation of intangible assets under development.

24. DEPRECIATION AND AMORTISATION EXPENSE

Depreciation of tangible assets (Also, refer note 11)	22,337,287	9,225,320
Amortisation of intangible assets (Also, refer note 12)	48,064,875	14,707,131
	70,402,162	23,932,451

25. FINANCE COSTS

Interest on loans		
- loan from bank	21,749,043	1,283,060
- Intercompany deposit	5,377,102	9,878,779
Other borrowing cost (processing fees)	7,314,630	-
	34,440,775	11,161,839

26. EARNINGS PER SHARE (EPS)

a) Profit after tax attributable to equity shares (₹)	82,033,900	74,017,796
b) Weighted average number of shares outstanding	19,960,481	19,960,481
c) Nominal value of shares (₹)	5.00	5.00
d) Basic earnings per share (₹)	4.11	3.71
e) Number of shares to be issued pursuant to the Scheme (Refer note 2)	7,229,112	-
f) Number of equity shares used to compute diluted earnings per share	27,189,593	19,960,481
g) Diluted earnings per share (₹)	3.02	3.71

27. SEGMENT REPORTING

The single financial report of the Company would contain consolidated financial statements, including segment information, and the separate financial statements. Therefore, no separate disclosure on segment information is given in these financial statements.

Notes to the financial statements for the year ended 31 March 2014 (Contd.)

28. INFORMATION PERSUANT TO CLAUSE 32 OF THE LISTING AGREEMENT

i) Amount of investment in subsidiaries as at 31 March 2014 (Amount in ₹)

Subsidiary company	Amount outstanding as at 31 March 2014	Maximum amount outstanding during the year
Axis Inc.	148,906,359	148,906,359
Cades Studec Technologies (India) Private Limited	71,966,083	71,966,083
Cades Technology Canada Inc.	4,596	4,596
Axis Mechanical Engineering Design (Wuxi) Co., Ltd.,	4,268,488	4,268,488

ii) Amount of loans and advances in the nature of loans outstanding from subsidiaries as at 31 March 2014

Subsidiary company	Amount outstanding as at 31 March 2014	Maximum amount outstanding during the year
Axis Inc.	1,016,130	1,858,646
Axis EU Limited	521,815	3,083,334
Cades Technology Canada Inc.	5,113,522	8,032,943

29 RELATED PARTY DISCLOSURES

i. *Parties where control exists :*

Nature of relationship	Name of party
<i>Holding Company</i>	Tayana Digital Private Limited (demerged from Tayana Software Solutions Private Limited), which is a subsidiary of Axis Aerospace & Technologies Limited. ('AATL', formerly known as Jupiter Strategic Technologies Private Limited'). AATPL, a venture funded by Jupiter Capital Private Limited ('JCPL'), is a subsidiary of the JCPL.
<i>Entity under common control</i>	Enertec Controls Limited
<i>Subsidiary companies</i>	Axis Inc., U.S.A. Axis E.U. Limited (Step down subsidiary) Cades Studec Technologies(India) Private Limited Cades Technology Canada Inc. Axis Mechanical Engineering Design (Wuxi) Co., Ltd. Cades Digitech Private Limited (Also, refer note 2)

ii. *Key management personnel :*

Chairman and CEO	Mr. S. Ravinarayanan (resigned as CEO on 24 February 2014)
CEO	Mr. Valmeekanathan S. (appointed on 25 February 2014)

iii. *Transactions with related parties:*

(Amount in ₹)

	Nature of transaction	Relationship	Year ended	
			31 March 2014	31 March 2013
A	Revenue from operations			
	Axis Inc.	Subsidiary Company	175,469,943	232,704,401
	Axis EU Limited	Subsidiary Company	26,914,020	18,361,718
	Cades Technology Canada Inc.	Subsidiary Company	52,814,917	-
	Axis Aerospace & Technologies Limited	Intermediate Holding Company	30,000,000	-

AXISCADES Engineering Technologies Limited
(formerly Axis-IT&T Limited)

Notes to the financial statements for the year ended 31 March 2014 (Contd.)

iii. Transactions with related parties (Cont'd):

(Amount in ₹)

	Nature of transaction	Relationship	Year ended	
			31 March 2014	31 March 2013
B	Investment made Axis Mechanical Engineering Design (Wuxi) Co., Ltd., Cades Studec Technologies (India) Private Limited	Subsidiary Company Subsidiary Company	2,200,450 71,966,083	2,068,035 -
C	Intercorporate deposits availed Axis Aerospace & Technologies Limited	Intermediate Holding Company	189,000,000	30,500,000
D	Intercorporate deposits repaid Axis Aerospace & Technologies Limited Jupiter Capital Private Limited	Intermediate Holding Company Ultimate Holding Company	185,292,105 42,500,000	145,500,000 -
E	Interest expense on Intercorporate deposit Axis Aerospace & Technologies Limited Jupiter Capital Private Limited	Intermediate Holding Company Ultimate Holding Company	4,058,671 1,317,740	9,878,779 -
F	Corporate guarantee fee income Axis Aerospace & Technologies Limited	Intermediate Holding Company	2,578,125	2,062,500
G	Remuneration Mr. S. Ravinarayanan Mr. Valmeekanathan S.	Chairman & CEO CEO	1,628,565 857,143	2,016,000 -
H	Expenses incurred on behalf of Axis Inc. Axis EU Limited Cades Technology Canada Inc. Axis Aerospace & Technologies Limited	Subsidiary Company Subsidiary Company Subsidiary Company Intermediate Holding Company	1,016,130 2,332,533 13,629,690 13,601,571	1,858,646 750,801 - -
I	Expenses recovered Axis Inc. Axis EU Limited Cades Technology Canada Inc. Axis Aerospace & Technologies Limited	Subsidiary Company Subsidiary Company Subsidiary Company Intermediate Holding Company	1,858,646 2,550,235 11,371,254 12,624,233	- - - -
J	Corporate guarantee extinguished Axis Aerospace & Technologies Limited	Intermediate Holding Company	825,000,000	-
K	Software subscription charges Axis Inc.	Subsidiary Company	15,471,840	-
L	Salaries, wages and bonus recovered Cades Technology Canada Inc.	Subsidiary Company	4,416,554	-
M	Project consultancy charges Axis Inc.	Subsidiary Company	1,992,901	-
N	Staff welfare expense Axis Inc.	Subsidiary Company	539,529	-
O	Corporate guarantee received Enertec Controls Limited	Entity under common control	150,000,000	-

Notes to the financial statements for the year ended 31 March 2014 (Contd.)

iv. Balances as at the year end:

(Amount in ₹)

	Nature of transaction	Relationship	As at	
			31 March 2014	31 March 2013
A	Trade receivables			
	Axis Inc.	Subsidiary Company	42,094,200	13,252,062
	Axis EU Limited	Subsidiary Company	11,675,592	10,040,681
	Cades Technology Canada Inc.	Subsidiary Company	21,107,870	-
B	Investments			
	Axis Inc.	Subsidiary Company	148,906,359	148,906,359
	Cades Digitech Private Limited (Also, refer note 2)	Subsidiary Company	-	105,847,435
	Cades Studec Technologies (India) Private Limited	Subsidiary Company	71,966,083	-
	Axis Mechanical Engineering Design (Wuxi) Co., Ltd.,	Subsidiary Company	4,268,485	2,068,035
	Cades Technology Canada Inc.	Subsidiary Company	4,596	-
C	Intercorporate deposit outstanding			
	Axis Aerospace & Technologies Limited	Intermediate Holding Company	7,707,895	-
D	Loans and advances			
	<i>Expenses recoverable</i>			
	Axis Inc.	Subsidiary Company	1,016,130	1,858,646
	Axis EU Limited	Subsidiary Company	521,815	750,801
	Cades Technology Canada Inc.	Subsidiary Company	5,113,522	-
	Axis Aerospace & Technologies Limited	Intermediate Holding Company	977,339	-
E	Trade payables			
	Axis Inc.	Subsidiary Company	2,465,760	-
F	Corporate guarantee given			
	Axis Aerospace & Technologies Limited	Intermediate Holding Company	-	825,000,000
	Cades Digitech Private Limited	Subsidiary Company	-	150,000,000
G	Remuneration payable			
	Mr. Valmeekanathan S.	CEO	489,029	-
H	Unbilled revenue			
	Cades Technology Canada Inc.	Subsidiary Company	4,707,923	-
I	Corporate guarantee outstanding			
	Enertec Controls Limited	Entity under common control	150,000,000	-

Notes to the financial statements for the year ended 31 March 2014 (Contd.)

30. DISCLOSURES IN RESPECT OF NON-CANCELLABLE OPERATING LEASES

The lease expenses for cancellable and non-cancellable operating leases during the year ended 31 March 2014 was ₹ 86,775,847 (31 March 2013 : ₹ 35,478,675)

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

Payments falling due:	As at 31 March 2014 ₹	As at 31 March 2013 ₹
Not later than one year	34,064,522	-
Later than one year but not later than 5 years	9,372,297	-
Later than 5 years	-	-
	<u>43,436,819</u>	<u>-</u>

The Company's significant leasing arrangements in respect of operating leases for office premises, which includes both cancellable and non-cancellable leases and range between 11 months and 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 financial statements.

31. PARTICULARS RELATING TO FOREIGN EXCHANGE

	Year ended 31 Mar 2014 ₹	Year ended 31 March 2013 ₹
Earnings in foreign exchange		
Revenue from engineering design services	1,401,397,700	258,968,095
Expenditure in foreign currency		
Bank charges and PCFC interest	4,788,451	881,236
Software subscription charges	15,471,840	-
Project consultancy charges	146,713,893	-
Commission and brokerage	3,325,416	8,408,436
Employee benefits expense	500,950,039	-
Travelling and conveyance	62,566,594	7,321,950
	<u>733,816,233</u>	<u>16,611,622</u>
Value of Imports on CIF Basis		
Capital goods	2,810,944	-
Consultancy fees for intangibles under development	7,620,402	-
Internet charges for intangibles under development	6,164,220	-
	<u>16,595,566</u>	<u>-</u>

32. AUDITOR'S REMUNERATION *

Statutory audit fees	2,165,000	1,475,000
Tax audit fees	225,000	100,000
Other fees	92,000	82,000
Out of pocket expenses	60,367	18,870
	<u>2,542,367</u>	<u>1,675,870</u>

* Excluding Service tax

Notes to the financial statements for the year ended 31 March 2014 (Contd.)

33. HEDGING AND DERIVATIVES

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

Category	Currency	Buy / Sell	31 March 2014	31 March 2013
Forward contracts for hedging	USD	Sell	1,750,000	-

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

Particulars		31 March 2014			31 March 2013		
Included in	Currency	Conversion rate	Amount in foreign currency	Amount in ₹	Conversion rate	Amount in foreign currency	Amount in ₹
Trade receivables	USD	60.0998	3,837,578	230,637,663	54.3893	282,401	15,359,582
	GBP	99.8498	116,932	11,675,592	82.3209	121,970	10,040,680
	EURO	82.5765	346,134	28,582,523	69.5438	44,633	3,103,946
Trade payables	USD	60.0998	978,706	58,820,028	-	-	-
	EURO	82.5765	267,099	22,056,136	-	-	-
	JPY	0.5883	300,000	176,490	-	-	-
Salary payable	USD	60.0998	18,028	1,083,498	-	-	-
	EURO	82.5765	94,528	7,805,769	-	-	-
Advance to subsidiaries	USD	60.0998	16,907	1,016,130	-	-	-
	GBP	99.8498	5,226	521,815	-	-	-
	CAD	54.0151	94,668	5,113,522	-	-	-
PCFC loans	USD	60.0998	2,729,895	164,066,118	54.3893	749,000	40,737,586

34. 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 2014 following a detailed transfer pricing study conducted for the financial year ended 31 March 2013. 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.

35. PREVIOUS YEAR FIGURES

Pursuant to the Scheme (Refer note 2), the figures of the current year are not strictly comparable to those of the previous year. Previous year's figures have been regrouped / reclassified wherever necessary, to conform to current year's classification.

For **Walker Chandiok & Co LLP**
(formerly Walker, Chandiok & Co)
Chartered Accountants

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

New Delhi
30 May 2014

For and on behalf of the Board of Directors

Sd/-
Kedar Nath Choudhury
Director

Sd/-
Valmeekanathan S.
Director & CEO

Sd/-
Shweta Agrawal
Company Secretary

New Delhi
30 May 2014

Independent Auditors' 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 Company" and its subsidiaries, (hereinafter collectively referred to as the "Group", which comprise the consolidated Balance Sheet as at 31 March 2014, 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, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. 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 2014;
 - 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.

7. Emphasis of Matter

We draw attention to Note 2 to the financial statements in connection with the Scheme of Arrangement ('Scheme') between the Company and its subsidiary, Cades Digitech Private Limited, approved by the Hon'ble High Court of Karnataka and Hon'ble High Court of Delhi, made effective on 24 March 2014 with an appointed date of 1 April 2012. Pursuant to the terms of the said Scheme, the Company has adjusted the debit balance in the Statement of Profit and Loss amounting to ₹ 516,221,117 against Securities Premium Account which otherwise would not have been adjusted in terms of the provisions of the Act. Our opinion is not qualified in respect of this matter.

Other Matter

8. 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 ₹ 209,003,439 as at 31 March 2014; total revenues (after eliminating intra-group transactions) of ₹ 493,569,079 and net cash flows aggregating to ₹ 6,661,441 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 statements not audited by us as stated in this paragraph is based solely on the audit report of the other auditors. Our opinion is not qualified in respect of this matter.

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

Sd/-
per **Aasheesh Arjun Singh**
Partner
Membership No.: 210122

New Delhi
30 May 2014

AXISCADES Engineering Technologies Limited (Consolidated)
(formerly Axis-IT&T Limited)

Consolidated Balance Sheet

	NOTE	As at 31 March 2014 ₹	As at 31 March 2013 ₹
EQUITY AND LIABILITIES			
SHAREHOLDERS' FUNDS			
Share capital	4	99,955,705	99,955,705
Reserves and surplus	5	876,905,064	661,629,354
		976,860,769	761,585,059
SHARES PENDING ALLOTMENT			
	2	36,145,560	-
MINORITY INTEREST			
	6	17,704,733	198,146,797
NON-CURRENT LIABILITIES			
Long-term borrowings	7	82,707,895	4,000,000
Long-term provisions	9	31,699,531	21,010,309
		114,407,426	25,010,309
CURRENT LIABILITIES			
Short-term borrowings	7	187,673,966	387,354,501
Trade payables	10	190,984,444	142,902,961
Other current liabilities	11	221,343,853	206,033,641
Short-term provisions	9	3,305,353	10,950,134
		603,307,616	747,241,237
TOTAL		1,748,426,104	1,731,983,402
ASSETS			
NON-CURRENT ASSETS			
Fixed assets			
Tangible assets	12	71,657,392	78,209,922
Intangible assets	13	81,903,514	79,369,830
Intangible assets under development	14	141,349,987	164,741,807
Capital work in progress		1,016,901	-
Goodwill on consolidation		182,026,177	253,497,761
Non-current investments	15	7,418,660	10,918,660
Deferred tax assets, net	17	37,057,753	47,297,627
Long-term loans and advances	18	194,533,235	143,628,063
Other non-current assets	19	331,075	1,801,782
		717,294,694	779,465,452
CURRENT ASSETS			
Trade receivables	16	718,332,212	640,238,606
Cash and bank balances	20	98,335,327	103,604,773
Short-term loans and advances	18	60,659,927	71,211,834
Other current assets	19	153,803,944	137,462,737
		1,031,131,410	952,517,950
TOTAL		1,748,426,104	1,731,983,402

Notes 1 to 34 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 LLP**
(formerly Walker, Chandiok & Co)
Chartered Accountants

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

New Delhi
30 May 2014

For and on behalf of the Board of Directors

Sd/-
Kedar Nath Choudhury
Director

Sd/-
Valmeeakanathan S.
Director & CEO

Sd/-
Shweta Agrawal
Company Secretary

New Delhi
30 May 2014

AXISCADES Engineering Technologies Limited (Consolidated)
(formerly Axis-IT&T Limited)

Consolidated Statement of Profit and Loss	NOTE	Year ended 31 March 2014 ₹	Year ended 31 March 2013 ₹
INCOME			
Revenue from operations	21	3,068,104,345	2,860,021,239
Other income	22	30,788,202	7,000,744
TOTAL		3,098,892,547	2,867,021,983
EXPENSES			
Employee benefits expense	23	1,967,814,838	1,973,400,564
Other expenses	24	817,820,981	631,699,982
TOTAL		2,785,635,819	2,605,100,546
EARNINGS BEFORE INTEREST, TAX, DEPRECIATION AND AMORTISATION (EBITDA)		313,256,728	261,921,437
Depreciation and amortisation expense	26	81,632,784	77,332,579
Finance costs	25	36,077,093	34,777,825
PROFIT BEFORE TAX		195,546,851	149,811,033
Tax expense:			
- Current tax			
Domestic		46,779,840	33,904,448
Reversal of excess tax provision of prior year		(20,456,230)	-
Foreign taxes		11,944,090	15,290,262
- Minimum alternate tax credit of prior year		(11,508,959)	-
- Deferred tax expense/(credit)		9,003,664	(45,610,103)
PROFIT FOR THE YEAR		159,784,446	146,226,426
Earnings per equity share:			
- Basic	27	7.55	6.05
- Diluted		5.54	6.05
Nominal value per share		5.00	5.00

Notes 1 to 34 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 Chandiok & Co LLP**
(formerly Walker, Chandiok & Co)
Chartered Accountants

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

New Delhi
30 May 2014

For and on behalf of the Board of Directors

Sd/-
Kedar Nath Choudhury
Director

Sd/-
Valmeekanathan S.
Director & CEO

Sd/-
Shweta Agrawal
Company Secretary

New Delhi
30 May 2014

AXISCADES Engineering Technologies Limited (Consolidated)
(formerly Axis-IT&T Limited)

Cash Flow Statement

	Year ended 31 March 2014 ₹	Year ended 31 March 2013 ₹
A. Cash flow from operating activities		
Profit before tax	195,546,851	149,811,033
Adjustment for :		
Depreciation and amortisation expense	81,632,784	77,332,579
Unrealised foreign exchange (gain) / loss	(7,801,134)	18,920,839
Diminution in the value of non-current investment	3,500,000	-
Finance costs	36,077,093	39,099,863
Miscellaneous expenditure written off	519,000	519,000
Provision for doubtful debts and unbilled revenue	10,648,829	5,686,518
Profit on sale of fixed assets	-	(13,785)
Interest income	(7,077,427)	(4,193,383)
Operating profit before working capital changes	313,045,996	287,162,664
Movements in working capital		
(Increase) / Decrease in trade receivables	(43,804,588)	41,121,309
Decrease / (Increase) in short-term loans and advances	14,945,836	(18,946,436)
Increase in long term loans and advances	(70,562,862)	(34,873,716)
Increase in other current assets	(7,004,947)	(8,875,974)
Decrease in other non-current assets	1,470,707	519,000
Decrease in provisions	(7,163,924)	(21,829,083)
(Decrease) / Increase in current liabilities	(33,399,535)	66,270,048
Cash from operating activities	167,526,683	310,547,812
Direct taxes paid (Net of repayments)	(3,913,666)	(27,573,884)
Net cash from / (used in) operating activities (A)	163,613,017	282,973,928
B. Cash flow from investing activities		
Purchase of fixed assets	(19,039,559)	(109,170,284)
Development of intangible assets (process manuals)	(17,438,811)	(67,693,565)
Interest received	7,652,517	3,217,635
Proceeds from sale of fixed assets	-	232,800
Investments in fixed deposits (net of realisation)	(34,429,519)	9,650,000
Net cash used in investment activities (B)	(63,255,372)	(163,763,414)
C. Cash flow from financing activities		
Repayments of intercorporate deposits	(227,792,105)	(164,000,000)
Proceeds from intercorporate deposits	189,000,000	95,500,000
(Repayments of) / proceeds from working capital loan, net	(214,538,176)	58,301,938
Proceeds from term loan from bank	150,000,000	-
Repayments of term loan from bank	(20,700,000)	(5,700,000)
Finance costs	(36,077,093)	(39,059,769)
Net cash (used in)/from financing activities (C)	(160,107,374)	(54,957,831)
Net (decrease) / increase in cash and cash equivalents (A+B+C)	(59,749,729)	64,252,683
Effect of exchange rate changes, net	19,429,307	(2,070,641)
Cash and cash equivalents as at beginning of the year	73,166,034	10,983,992
Cash acquired on acquisition of a subsidiary (Refer note 1(a))	621,457	-
Cash and cash equivalents as at end of the year	33,467,069	73,166,034

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

For **Walker Chandiok & Co LLP**
(formerly Walker, Chandiok & Co)
Chartered Accountants

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

New Delhi
30 May 2014

For and on behalf of the Board of Directors

Sd/-
Kedar Nath Choudhury
Director

Sd/-
Valmeekananathan S.
Director & CEO

Sd/-
Shweta Agrawal
Company Secretary

New Delhi
30 May 2014

Notes to the consolidated financial statements for the year ended 31 March 2014

1 BACKGROUND

- (a) AXIS-IT&T Limited ('the Company/Parent Company/Axis'), a public limited company, together with its subsidiaries (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 2014	31 March 2013
Axis Inc.	USA	100.00%	100.00%
Axis EU Limited (Subsidiary of Axis Inc.)	UK	100.00%	100.00%
Cades Digitech Private Limited ('Cades', refer note 2 below)	India	N.A.	51.10%
Cades Studec Technologies(India) Private Limited ¹ ('Studec')	India	76.00%	N.A.
Cades Technology Canada Inc. ²	Canada	100.00%	51.10%
Axis Mechanical Engineering Design (Wuxi) Co., Ltd.	China	100.00%	100.00%

¹ Acquired with effect from 11 July 2013

² Step-down wholly owned subsidiary of Cades and is now a wholly owned subsidiary of Axis pursuant to the Scheme (Refer note 2 below)

2 SCHEME OF ARRANGEMENT (SCHEME)

- (a) The Board of Directors of the Company, in the meeting held on 23 January 2013 had approved the Scheme of Arrangement ('the Scheme') whereby Cades Digitech Private Limited ('subsidiary/Cades') was proposed to be merged with the Company, the transferee company. The appointed date of the Scheme was 01 April 2012 and was subject to the approval of the majority of the shareholders and creditors of Axis and Cades, the Honourable Delhi High Court and the Honourable Karnataka High Court and the permission and approval of any other statutory or regulatory authorities, as applicable.

Subsequent to the various statutory approvals, the Hon'ble High Court of Karnataka vide its order dated 17 December 2013 and Hon'ble High Court of Delhi vide its order dated 10 March 2014 has approved the Scheme a copy of which was filed with the Office of Registrar of Companies, New Delhi on 24 March 2014 and accordingly the Scheme has come into effect from 24 March 2014 (the "Effective Date") with the Appointed Date being 1 April 2012. The Scheme is presented under Sections 391 to 394 read with Sections 78, 100 to 103 of the Companies Act, 1956 ('the Act').

- (b) Pursuant to the Scheme, the shareholders of Cades are eligible to receive 10 equity shares of Axis of par value of ₹ 5 each fully paid up for 12 equity shares held in Cades of par value of ₹ 10 each fully paid up ('Swap ratio'), with record date being 11 April 2014 as fixed by the Board of Directors of the Company. Pending the allotment of said equity shares as at 31 March 2014, the amount of ₹ 36,145,560 has been included under the Share pending allotment account.

In accordance with Part B of the Scheme, all the assets and liabilities of Cades have been transferred to Axis with effect from the Appointed Date at the respective carrying values in the financial statements of Cades. In accordance with the Pooling of Interests Method outlined in accordance with AS-14 "Accounting for Amalgamations" prescribed by Companies (Accounting Standard) Rules, 2006, the surplus of the net assets acquired over the consideration issued and the cancellation of the investment of Axis in Cades has been credited to Capital Reserve.

Notes to the consolidated financial statements for the year ended 31 March 2014 (Contd.)

(Amount in ₹)

		Cades Digitech Private Limited
		As at 01 April 2012
Net value of assets transferred pursuant to Scheme of Arrangement	A	177,419,350
Investment in Cades (9,067,000 equity shares of ₹10 each, fully paid up)	B	105,847,435
Equity shares to be issued, held in shares pending allotment account (7,229,112 equity shares of ₹5 each, fully paid up)	C	36,145,560
Surplus credited to Capital Reserves	D	35,426,355

- (c) Pursuant to giving effect to Part B of the Scheme, in accordance with Part C, the deficit in the Statement of Profit and Loss of the Company amounting to ₹ 551,647,471, representing the combined deficits of Axis ₹ 65,545,283 and Cades ₹ 486,102,189 as at 31 March 2012 have been utilised from the Capital Reserve and Securities Premium account which otherwise would not have been adjusted as per the Act as follows:

Capital Reserve	35,426,355
Securities Premium	516,221,117
Total	551,647,472

Had the Scheme not prescribed the aforesaid accounting treatment, as at 31 March 2014, the balance in Capital Reserve would have been higher by ₹ 35,426,355; balance in Securities Premium Account would have been higher by ₹ 516,221,117 and accumulated deficit in the Statement of Profit and Loss would have been higher by ₹ 551,647,472.

- (d) Included in the reversal of excess tax provision is ₹ 8,554,748 representing the provision for tax no longer required consequent to the revised return of income tax to be filed for the assessment year 2013-14 by the Company. Additionally, during the year ended 31 March 2014, the Company has also recognised a MAT credit of ₹ 11,508,959 representing the credit available to the Company for the assessment year 2013-14, consequent to the merger of Cades pursuant to the Scheme.

3 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.

Notes to the consolidated financial statements for the year ended 31 March 2014 (Contd.)

(b) Basis of preparation of financial statements

The financial statements are prepared under historical cost convention in accordance with the generally accepted accounting principles in India (Indian GAAP) and comply in all material respects with the mandatory Accounting Standards ("AS") 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') read with the General Circular 15/2013 dated 13 September 2013 of the Ministry of Corporate Affairs in respect of section 133 of the Companies Act, 2013, and with the relevant provisions of the Act, pronouncements of The Institute of Chartered Accountants of India ('ICAI'). The accounting policies applied by the Company are consistent with those used in the prior period.

(c) Use of estimates

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

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

(d) Revenue recognition

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

Service revenues are recognised as services are rendered, on the basis of an agreed mark-up on all costs incurred, in accordance with the Services Agreement.

'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.

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

Notes to the consolidated financial statements for the year ended 31 March 2014 (Contd.)

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 previously 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

Capitalised costs that are directly attributable to the development phase are recognised as intangible assets provided that they meet the following recognition requirements:

- demonstration of technical feasibility of the prospective product or processes for sale
- the intangible asset will generate probable economic benefits through sale
- sufficient technical, financial and other resources are available for completion
- the intangible asset can be reliably measured.

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

Depreciation and amortisation

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

Asset category	Useful lives (In years)
Computers	3
Furniture and fixtures	7
Office equipments	7
Electrical installations	7
Office buildings	61
Vehicles	5
Softwares	3

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. Process manuals are amortised over the period of 7 years (project term) or the useful life of the process manual, whichever is shorter. 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 a cash-generating unit may be impaired. Goodwill is allocated to each of the Group's cash-generating units that are expected to benefit from the synergies of the combination. 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

Notes to the consolidated financial statements for the year ended 31 March 2014 (Contd.)

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.

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

Notes to the consolidated financial statements for the year ended 31 March 2014 (Contd.)

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 for its India 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 for its India employees. 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.

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.

Notes to the consolidated financial statements for the year ended 31 March 2014 (Contd.)

(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 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.

Notes to the consolidated financial statements for the year ended 31 March 2014 (Contd.)

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 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.

Notes to the consolidated financial statements for the year ended 31 March 2014 (Contd.)

	As at 31 March 2014		As at 31 March 2013	
	Number	₹	Number	₹
4. SHARE CAPITAL				
Authorised				
Equity shares of ₹ 5 each	108,000,000	540,000,000	72,000,000	360,000,000
Preference shares of ₹ 100 each	100,000	10,000,000	100,000	10,000,000
	<u>108,100,000</u>	<u>550,000,000</u>	<u>72,100,000</u>	<u>370,000,000</u>
Issued share capital				
Equity shares of ₹ 5 each fully paid up	20,011,581	100,057,905	20,011,581	100,057,905
Subscribed and paid up				
Equity shares of ₹ 5 each fully paid	19,960,481	99,802,405	19,960,481	99,802,405
Add: Forfeited shares (amount originally paid ₹ 3 per share on 51,100 equity shares)	-	153,300	-	153,300
	<u>19,960,481</u>	<u>99,955,705</u>	<u>19,960,481</u>	<u>99,955,705</u>

	As at 31 March 2014		As at 31 March 2013	
	Number	₹	Number	₹
(a) Reconciliation of the equity shares				
Balance at the beginning of the year	19,960,581	99,955,705	19,960,581	99,955,705
Add : Issued during the year	-	-	-	-
Balance at the end of the year	<u>19,960,581</u>	<u>99,955,705</u>	<u>19,960,581</u>	<u>99,955,705</u>

(b) Terms and rights attached to equity shares

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

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

	As at 31 March 2014		As at 31 March 2013	
	Number	₹	Number	₹
(c) Shares held by the Holding Company				
Tayana Digital Private Limited	12,142,100	60,710,500	12,142,100	60,710,500

	As at 31 March 2014		As at 31 March 2013	
	Number	₹	Number	₹
(d) Details of shareholders holding more than 5% shares in the Company				
(i) Tayana Digital Private Limited	12,142,100	60,710,500	12,142,100	60,710,500
(ii) Yukti Securities Private Limited	1,172,208	5,861,040	1,172,208	5,861,040
	<u>13,314,308</u>	<u>66,571,540</u>	<u>13,314,308</u>	<u>66,571,540</u>

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

Notes to the consolidated financial statements for the year ended 31 March 2014 (Contd.)

5. RESERVES AND SURPLUS

	As at 31 March 2014 ₹	As at 31 March 2013 ₹
(a) Securities premium account		
Balance at the beginning of the year	298,129,199	298,129,199
Add: Addition on account of the Scheme ¹	654,961,656	-
Less: Deficit transferred from Statement of Profit and Loss as per the Scheme (Also, refer note 2)	(516,221,117)	-
Balance at the end of the year	<u>436,869,738</u>	<u>298,129,199</u>
¹ Represents the securities premium of Cades Digitech Private Limited as on 01 April 2012, the Appointed Date (Also, refer note 2).		
(b) Unrealised surplus on dilution (Also, refer note (i) below)	155,677,540	155,677,540
Less: Adjustment pursuant to the Scheme	(155,677,540)	-
	<u>-</u>	<u>155,677,540</u>
(i) The amount of ₹ 155,677,539 represented the unrealised surplus on dilution of the equity interest of the Parent in Cades consequent to a preferential allotment of equity shares. Pursuant to the Scheme, the Company's equity interest in Cades stands cancelled with effect from 01 April 2012, the Appointed Date (Also, refer note 2) and this unrealised surplus has been eliminated.		
(c) Capital reserve		
Balance at the beginning of the year	-	-
Add: Reserve created as per the Scheme (Also, refer note 2)	35,426,355	-
Less: Deficit transferred from Statement of Profit and Loss as per the Scheme (Also, refer note 2)	(35,426,355)	-
Balance at the end of the year	<u>-</u>	<u>-</u>
(d) Hedge reserve		
Balance at the beginning of the year	-	(15,304,810)
Movement during the year	(750,686)	15,304,810
Balance at the end of the year	<u>(750,686)</u>	<u>-</u>
(e) Foreign currency translation reserve	29,357,294	9,927,988
(f) Surplus/(Deficit) in the Statement of Profit and Loss		
Balance at the beginning of the year	197,894,628	77,200,930
Add: Deficit adjusted through transfer to Capital Reserve and Securities Premium account (see notes (a) and (c) above) as per the Scheme (Also, refer note 2)	551,647,472	-
Less: Accumulated deficit of Cades 2	(514,365,522)	-
Add: Net profit of Cades for the period from 1 April 2012 (appointed date) to 31 March 2013 allocated to minority interest (Also, refer note 2)	25,532,728	-
Add : Transferred from Statement of Profit and Loss	159,784,446	146,226,426
Less: Minority interest	(9,065,034)	(25,532,728)
Balance at the end of the year	<u>411,428,718</u>	<u>197,894,628</u>
Total	<u>876,905,064</u>	<u>661,629,354</u>

² The accumulated deficit of Cades amounting to ₹ 294,818,073 was assigned to goodwill on consolidation arising on the previous acquisition of Cades and ₹ 219,547,449 representing the share of the minority up to 31 March 2012. Pursuant to the scheme (also, refer note 2), these amounts have been merged with that of the Company.

Notes to the consolidated financial statements for the year ended 31 March 2014 (Contd.)

6. MINORITY INTEREST	As at 31 March 2014 ₹	As at 31 March 2013 ₹
Balance at the beginning of the year	198,146,797	172,614,069
Less: Adjustment pursuant to the Scheme (Also, refer note 2) ³	(172,614,070)	-
Less: Net profit of Cades for the period from 1 April 2012 (appointed date) to 31 March 2013 (Also, refer note 2) ³	(25,532,728)	-
Addition for the year	17,704,734	25,532,728
Balance at the end of the year	17,704,733	198,146,797

³ Minority interest in Cades as at 31 March 2012 has been extinguished pursuant to the Scheme (also, refer note 2).

7. BORROWINGS (Secured)	As at 31 March 2014		As at 31 March 2013	
	Long-term ₹	Short-term ₹	Long-term ₹	Short-term ₹
Term loan	135,000,000	-	5,700,000	-
Less: Current maturities of long-term borrowings (Also, refer note 11)	(6,00,00,000)	-	(5,700,000)	-
	75,000,000	-	-	-
Working capital loan	-	186,653,278	-	245,644,079
Line of credit	-	1,020,688	-	99,210,422
	-	187,673,966	-	344,854,501
Intercompany deposit	7,707,895	-	4,000,000	42,500,000
Total	82,707,895	187,673,966	4,000,000	387,354,501

(i) Axis-IT&T Limited

a) Details of security for borrowings

Term loan from a bank is secured by first exclusive charge on both moveable and immoveable assets, current assets of the Company and corporate guarantee vide an equitable mortgage on land owned by a related party (also refer note 29 (iii)) situated at Survey No 20, Part 14 and 15, Keonics, Electronic City, Konappana Agrahara Village, Begur Hobli, Bangalore.

Working capital loans (inclusive of packing credit facility in foreign currency) from a bank are secured by first exclusive charge on current assets 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

Term loans having an interest rate of bank's base rate plus 2.50 % are repayable from March 2014 over 10 equal quarterly installments.

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

Intercompany deposits from Axis Aerospace & Technologies Limited carrying an interest rate of 11% per annum are repayable within 3 years from the date of availment.

(ii) 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.

Notes to the consolidated financial statements for the year ended 31 March 2014 (Contd.)

8. EMPLOYEE BENEFIT OBLIGATIONS

(a) Gratuity

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

	Year ended 31 March 2014 ₹	Year ended 31 March 2013 ₹
Changes in the present value of the defined benefit obligation are as follows:		
Defined benefit obligation at the beginning of the year	14,487,115	11,927,490
Defined benefit obligation on account of acquisition of Studec	3,040,425	-
Current service cost	5,191,973	4,482,371
Interest cost	684,808	769,968
Benefits paid	(1,568,218)	(3,259,538)
Actuarial gains	529,635	566,824
Defined benefit obligation at the end of the year	22,365,738	14,487,115
Components of net gratuity costs are		
Current service cost	5,191,973	4,482,371
Interest on defined benefit obligation	684,808	769,968
Net actuarial gains	529,635	566,824
Expenses recognised in the Statement of Profit and Loss for the year	6,406,416	5,819,163

Present value of unfunded obligations as at:

	31 March 2010	31 March 2011	31 March 2012	31 March 2013	31 March 2014
Net liability recognised in the Balance Sheet	12,019,175	10,489,568	11,927,490	14,487,115	22,365,738
	12,019,175	10,489,568	11,927,490	14,487,115	22,365,738

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

Discount rate	9.12%-9.17%	7% - 8%
Salary escalation rate	5.6% - 6%	5% - 6%
Retirement age	58 Years	58 - 60 Years

(b) Defined contribution plan

The Company makes contribution of statutory provident fund as per Employees Provident Fund and Miscellaneous Provision Act, 1952. This is a defined contribution plan as per AS 15. Contribution made during the period ended 31 March 2014 is ₹ 23,673,918 (31 March 2013: ₹ 20,822,280).

Notes to the consolidated financial statements for the year ended 31 March 2014 (Contd.)

(c) 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 2014 is ₹ 122,842,807 (31 March 2013: ₹ 105,795,744).

9. PROVISIONS	As at 31 March 2014		As at 31 March 2013	
	Long-term	Short-term	Long-term	Short-term
	₹	₹	₹	₹
Provision for employee benefits				
Gratuity (Also, refer note 8(a))	21,631,080	734,658	13,771,861	715,254
Compensated absences	9,939,006	2,570,695	7,238,448	1,312,277
	31,570,086	3,305,353	21,010,309	2,027,531
Other provisions				
Fringe benefit tax, net of advance taxes	129,445	-	-	129,445
Foreign tax, net of advance tax	-	-	-	8,793,158
	129,445	-	-	8,922,603
	31,699,531	3,305,353	21,010,309	10,950,134

10. TRADE PAYABLES	As at	As at
	31 March 2014	31 March 2013
	₹	₹
Dues to creditors	140,314,499	128,329,868
Accrued expenses	50,669,945	14,573,093
	190,984,444	142,902,961

11. OTHER CURRENT LIABILITIES	As at	As at
	31 March 2014	31 March 2013
	₹	₹
Duties and taxes payable	53,016,732	62,821,755
Advance from customers	52,662,674	40,380,800
Unearned revenue	2,000,000	-
Dues to employees	40,313,961	92,949,085
Book overdraft	7,260,329	1,586,387
Current maturities of long-term borrowings (Also refer note 7)	60,000,000	5,700,000
Hedge liability	750,686	-
Security deposits	678,308	-
Creditors for capital goods	4,661,163	-
Other liabilities	-	2,595,614
	221,343,853	206,033,641

Notes to the consolidated financial statements for the year ended 31 March 2014 (Contd.)

	Freehold land	Computers	Furniture and fixtures	Office equipments	Electrical installations	Vehicles	Office building	Total
12. TANGIBLE ASSETS								
Gross block								
Balance as at 1 April 2012	2,264,437	94,108,280	26,222,018	36,887,888	2,059,794	1,756,331	16,581,724	179,880,472
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
Balance as at 31 March 2013	2,264,437	110,685,029	24,229,197	40,685,071	2,059,794	1,756,331	16,581,724	198,261,583
Additions on acquisition of Studtec	-	9,450,558	4,722,407	7,641,181	-	-	4,627,103	26,441,249
Additions	-	7,319,018	1,937,762	776,372	-	-	903,455	10,936,607
Other adjustments*	-	3,058,965	565,507	3,530,547	-	-	222,019	7,377,038
Balance as at 31 March 2014	2,264,437	130,513,570	31,454,873	52,633,171	2,059,794	1,756,331	22,334,301	243,016,477
Accumulated depreciation								
Balance as at 1 April 2012	-	74,899,189	21,927,072	28,659,605	2,051,116	1,344,435	3,039,642	131,921,059
Charge for the year	-	20,659,763	2,456,571	1,998,649	8,678	351,266	270,282	25,745,209
Reversal on deletion of assets	-	(23,110,200)	(12,258,216)	(4,283,619)	-	-	-	(39,652,035)
Adjustments	-	238,361	64,865	1,734,202	-	-	-	2,037,428
Balance as at 31 March 2013	-	72,687,113	12,190,292	28,108,837	2,059,794	1,695,701	3,309,924	120,051,661
Additions on acquisition of Studtec	-	10,886,281	1,680,304	1,584,607	-	-	2,080,799	16,231,991
Charge for the year	-	20,178,522	3,056,018	3,469,279	-	60,630	2,119,043	28,883,492
Adjustments	-	2,116,857	352,350	3,498,787	-	-	223,947	6,191,941
Balance as at 31 March 2014	-	105,868,773	17,278,964	36,661,510	2,059,794	1,756,331	7,733,713	171,359,085
Net block								
At 31 March 2013	2,264,437	37,997,916	12,038,905	12,576,234	-	60,630	13,271,800	78,209,922
At 31 March 2014	2,264,437	24,644,797	14,175,909	15,971,661	-	-	14,600,588	71,657,392

* Represents adjustments consequent to translation of fixed assets in foreign geographies.

Notes to the consolidated financial statements for the year ended 31 March 2014 (Contd.)

12. INTANGIBLE ASSETS

(Amount in ₹)

	Non-competee fees	Softwares	Process manuals	Goodwill	Total
Gross block					
Balance as at 1 April 2012	1,971,000	282,112,190	-	16,445,348	300,528,538
Additions	-	52,899,454	-	-	52,899,454
Other adjustments*	-	1,616,612	-	-	1,616,612
Balance as at 31 March 2013	1,971,000	336,628,256	-	16,445,348	355,044,604
Additions on acquisition of Studec	-	5,826,276	-	-	5,826,276
Additions	-	9,910,290	40,830,631	-	50,740,921
Other adjustments*	-	4,583,762	-	-	4,583,762
Balance as at 31 March 2014	1,971,000	356,948,584	40,830,631	16,445,348	416,195,563
Accumulated amortisation					
Balance as at 1 April 2012	1,971,000	204,110,540	-	16,445,348	222,526,888
Charge for the year	-	51,587,370	-	-	51,587,370
Other adjustments*	-	1,560,516	-	-	1,560,516
Balance as at 31 March 2013	1,971,000	257,258,426	-	16,445,348	275,674,774
Additions on acquisition of Studec	-	1,634,875	-	-	1,634,875
Charge for the year	-	49,551,046	3,198,246	-	52,749,292
Other adjustments*	-	4,233,108	-	-	4,233,108
Balance as at 31 March 2014	1,971,000	312,677,455	3,198,246	16,445,348	334,292,049
Net block					
At 31 March 2013	-	79,369,830	-	-	79,369,830
At 31 March 2014	-	44,271,129	37,632,385	-	81,903,514

* Represents adjustments consequent to translation of fixed assets in foreign geographies.

14. INTANGIBLE ASSETS UNDER DEVELOPMENT

(Amount in ₹)

	Process manuals	Design development	Total
Balance as at 1 April 2012	77,163,400	19,884,842	97,048,242
Additions during the year	87,578,407	4,949,390	92,527,797
Less: Reclassified to other current assets	-	(24,834,232)	(24,834,232)
Balance as at 31 March 2013	164,741,807	-	164,741,807
Additions during the year	17,438,811	-	17,438,811
Less: Capitalised during the year	40,830,631	-	40,830,631
Balance as at 31 March 2014	141,349,987	-	141,349,987

Notes to the consolidated financial statements for the year ended 31 March 2014 (Contd.)

15. NON-CURRENT INVESTMENTS (Non trade, unquoted, valued at cost unless stated otherwise)	As at 31 March 2014 ₹	As at 31 March 2013 ₹
Investments in equity instruments		
Axis Cogent Global Limited 946,822 (31 March 2013: 946,822) equity shares of ₹10 each fully paid up	10,913,660	10,913,660
Datum Technology Limited 50,000 (31 March 2013: 50,000) equity shares of ₹10 each	500,000	500,000
	<u>11,413,660</u>	<u>11,413,660</u>
Less: Provision for diminution in the value of long term investments		
Datum Technology Limited	(500,000)	(500,000)
Axis Cogent Global Limited	(3,500,000)	
	<u>(4,000,000)</u>	<u>(500,000)</u>
Other investments		
National savings certificate	5,000	5,000
	<u>7,418,660</u>	<u>10,918,660</u>

16. TRADE RECEIVABLES (Unsecured)	As at 31 March 2014 ₹	As at 31 March 2013 ₹
Outstanding for a period exceeding six months from the date they are due for payment		
Considered good	10,023,241	10,101,324
Doubtful	82,960,710	72,673,352
	<u>92,983,951</u>	<u>82,774,676</u>
Other debts		
Considered good	708,308,971	630,137,282
	<u>801,292,922</u>	<u>712,911,958</u>
Less: Allowances for doubtful debts	(82,960,710)	(72,673,352)
	<u>718,332,212</u>	<u>640,238,606</u>

Includes a sum of ₹ 42,675,190 (31 March 2013: ₹ 68,268,537) 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.

Notes to the consolidated financial statements for the year ended 31 March 2014 (Contd.)

17. DEFERRED TAXES	As at 31 March 2014 ₹	As at 31 March 2013 ₹
Deferred tax assets		
Provision for doubtful trade receivables	28,052,177	23,578,869
Provision for doubtful advances	-	8,093,704
Provision for employee benefits	11,828,955	11,653,326
Unabsorbed carry forward losses	3,181,842	13,853,077
Lease rent equalisation	1,956,823	1,003,058
Provision for unbilled revenue	3,405,877	1,125,354
Provision for doubtful service tax	470,039	470,039
Total	48,895,713	59,777,427
Deferred tax liabilities		
Timing difference on depreciation and amortisation	11,837,960	12,479,800
Total	11,837,960	12,479,800
Deferred tax asset, net	37,057,753	47,297,627

Deferred tax asset has been recognised on net operating losses which are available for carry forward as per local laws, to the extent of deferred tax liability recognised on timing difference on depreciation and amortisation.

18. LOANS AND ADVANCES	As at 31 March 2014		As at 31 March 2013	
	Long-term ₹	Short-term ₹	Long-term ₹	Short-term ₹
Security deposit (Unsecured)				
Considered good	57,934,241	1,583,438	36,743,579	1,109,005
Doubtful	-	-	24,945,920	-
	57,934,241	1,583,438	61,689,499	1,109,005
Allowances for bad and doubtful advances	-	-	(24,945,920)	-
	57,934,241	1,583,438	36,743,579	1,109,005
Advances recoverable in cash or kind				
Expenses incurred on behalf of Holding Company	-	977,340	-	-
Other loans and advances (Unsecured, considered good)				
Advance income-tax (net of provision for taxation)	59,443,763	-	52,330,336	-
MAT credit entitlement	27,384,670	-	15,875,711	-
Service tax cenvat input credit	45,630,969	23,178,935	32,284,263	21,158,777
Prepaid expenses	4,139,592	22,365,474	6,394,174	34,117,439
Advances to employees	-	8,195,135	-	9,788,830
Advance to suppliers	-	5,094,171	-	3,624,485
Other advances	-	714,159	-	2,862,023
	136,598,994	59,547,874	106,884,484	71,551,554
Allowances for doubtful service tax cenvat credit	-	(1,448,725)	-	(1,448,725)
	136,598,994	58,099,149	106,884,484	70,102,829
	194,533,235	60,659,927	143,628,063	71,211,834

Notes to the consolidated financial statements for the year ended 31 March 2014 (Contd.)

19. OTHER ASSETS	As at 31 March 2014		As at 31 March 2013	
	Non-current	Current	Non-current	Current
	₹	₹	₹	₹
Unbilled revenue				
Considered good	-	150,118,177	-	132,745,346
Doubtful	-	10,497,386	-	3,468,497
		160,615,563		136,213,843
Less : Allowances for doubtful unbilled revenue	-	(10,497,386)	-	(3,468,497)
		150,118,177		132,745,346
Interest accrued	-	3,448,775	-	3,503,405
Rent receivable	-	236,991	-	-
Insurance refund receivables	-	-	-	694,986
Miscellaneous expenses to the extent not written-off	-	-	-	519,000
Bank deposits with maturity of more than 12 months (Also refer note 20)	331,075	-	1,801,782	-
	331,075	153,803,944	1,801,782	137,462,737

20. CASH AND BANK BALANCES	As at 31 March 2014		As at 31 March 2013	
	Non-current	Current	Non-current	Current
	₹	₹	₹	₹
Cash and cash equivalents				
Balances with banks in current accounts	-	33,355,571	-	73,139,488
Cash on hand	-	111,498	-	26,546
	-	33,467,069	-	73,166,034
Other bank balances				
Margin money deposits (Also refer note a)	331,075	38,775,758	1,801,782	-
Deposits with maturity more than 3 months but less than 12 months	-	26,092,500	-	30,438,739
	331,075	64,868,258	1,801,782	30,438,739
Less : Amounts disclosed as other non-current assets (Refer note 19)				
Margin money deposits	(331,075)	-	(1,801,782)	-
	-	9,83,35,327	-	10,36,04,773

- Fixed deposits of a carrying amount ₹38,775,758 (31 March 2013: ₹ 29,500,000) have been deposited as margin money at 20% against the Packing credit facility loan availed from a bank.
- Deposits of a carrying amount ₹ 331,075 (31 March 2013: ₹ 2,247,982) have been deposited as bank guarantee towards lien on customs department and various customers.

Notes to the consolidated financial statements for the year ended 31 March 2014 (Contd.)

21. REVENUE FROM OPERATIONS	Year ended 31 Mar 2014	Year ended 31 March 2013
	₹	₹
Engineering design services	3,068,104,345	2,860,021,239
	<u>3,068,104,345</u>	<u>2,860,021,239</u>
22. OTHER INCOME		
Corporate guarantee fees	2,642,475	2,062,500
Interest income		
- from fixed deposits	6,638,578	3,332,441
- on income-tax refund	438,849	860,942
- lease deposits	4,703,787	-
Profit on sale of fixed assets	-	13,785
Net gain on foreign currency transaction and translation	13,743,796	-
Miscellaneous income	-	731,076
Rental income	2,057,800	-
Provision no longer required written back	562,917	-
	<u>30,788,202</u>	<u>7,000,744</u>
23. EMPLOYEE BENEFIT EXPENSES		
Salaries, wages and bonus ¹	1,762,296,811	1,783,161,626
Contribution to provident and other funds	24,140,729	29,449,558
Contribution to overseas social security	122,842,807	105,795,744
Staff welfare expense	48,722,560	47,526,539
Gratuity (Also, refer note 8(a))	6,406,416	5,819,163
Compensated absences	3,405,515	1,647,934
	<u>1,967,814,838</u>	<u>1,973,400,564</u>
¹ Net of salary costs of ₹ 3,654,188 (31 March 2013: ₹ 19,317,285) included under intangible assets under development.		
24. OTHER EXPENSES		
Rent	107,138,550	101,820,259
Power and fuel	22,868,273	22,971,881
Travelling and conveyance	102,746,183	84,482,015
Repairs and maintenance		
- Building	18,291,892	16,623,815
- Others	4,642,313	5,822,776
Recruitment and training expenses	15,031,867	19,896,318
Communication expenses ¹	16,204,324	16,734,976
Equipment hire charges	17,546,073	26,901,184
Legal and professional charges	43,279,587	40,414,006
Payment to auditors	2,542,367	3,016,975
Management fees	-	12,717,727
Printing and stationery	2,948,935	2,812,826
Security charges	2,777,965	2,960,454
Rates and taxes	4,591,869	4,406,492
Consultants' expenses ²	235,214,784	131,951,698

Notes to the consolidated financial statements for the year ended 31 March 2014 (Contd.)

	Year ended 31 Mar 2014	Year ended 31 March 2013
	₹	₹
Software subscription charges	58,846,212	49,296,839
Infrastructure usage charges	91,584,247	-
Design development cost	31,117,906	-
Directors sitting fees	780,000	920,000
Sales commission and brokerage	3,325,416	20,956,957
Brokerage	-	1,733,384
Advertising expenses	7,533,201	14,232,293
Insurance expenses	8,761,459	5,812,312
Bank charges	3,419,612	4,322,038
Postage and courier charges	1,260,315	1,926,889
Provision for doubtful debts	3,619,940	2,218,021
Provision for unbilled revenue	7,028,889	3,468,497
Provision for investments	3,500,000	-
Net loss on foreign currency transactions and translations	-	32,187,612
Miscellaneous expenses	1,218,802	1,091,738
	817,820,981	631,699,982

¹ Net of internet charges of ₹ 6,164,220 (31 March 2013: ₹ 10,726,542) included under intangible assets under development.

² Net of professional consultancy fee of ₹ 7,620,403 (31 March 2013: ₹ 62,483,970) included under intangible assets under development.

25. FINANCE COSTS

Interest on loans		
From bank	23,385,752	15,818,311
Intercompany deposits	5,376,711	13,232,629
Other borrowing cost (processing fees)	7,314,630	5,726,885
	36,077,093	34,777,825

26. DEPRECIATION AND AMORTISATION EXPENSE

Depreciation of tangible assets (Also, refer note 12)	28,883,492	25,789,627
Amortisation of intangible assets (Also, refer note 13)	52,749,292	51,542,952
	81,632,784	77,332,579

27. EARNINGS PER SHARE (EPS)

a) Profit after tax attributable to equity shares (₹)	150,719,412	120,693,698
b) Weighted average number of shares outstanding	19,960,481	19,960,481
c) Nominal value of shares (₹)	5.00	5.00
d) Basic earning per share (₹)	7.55	6.05
e) Number of shares to be issued pursuant to the Scheme (Refer note 2)	7,229,112	-
f) Number of equity shares used to compute diluted earnings per share	27,189,593	19,960,481
g) Diluted earnings per share (₹)	5.54	6.05

Notes to the consolidated financial statements for the year ended 31 March 2014 (Contd.)

28 DISCLOSURES IN RESPECT OF NON-CANCELLABLE OPERATING LEASES

The lease expenses for cancellable and non-cancellable operating leases during the year ended 31 March 2014 was ₹ 107,138,550 (31 March 2013: ₹ 105,537,845)

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

Payments falling due:	As at 31 March 2014 ₹	As at 31 March 2013 ₹
Not later than one year	41,555,604	39,313,926
Later than one year but not later than 5 years	41,301,552	51,318,283
Later than 5 years	-	11,879,623
	82,857,156	102,511,832

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 24 to the accounts.

29 RELATED PARTY DISCLOSURES

i. *Parties where control exists :*

Nature of relationship	Name of party
Holding company information	The Company is a subsidiary of Tayana Digital Private Limited (demerged from Tayana Software Solutions Private Limited) which is a subsidiary of Axis Aerospace & Technologies Limited. ('AATL', formerly known as Jupiter Strategic Technologies Private Limited'). AATL, a venture funded by Jupiter Capital Private Limited ('JCPL'), is a subsidiary of the JCPL.
Fellow subsidiary	Hindusthan Infrastructure Projects & Engineering Private Limited
Entity under common control	Enertec Controls Limited

ii. *Key management personnel :*

Chairman and CEO	Mr. S. Ravinarayanan (resigned as CEO on 24 February 2014)
CEO	Mr. Valmeekanathan S. (appointed on 25 February 2014)

iii. *Transactions with related parties:*

(Amount in ₹)

Nature of transaction	Relationship	Year ended	
		31 March 2014	31 March 2013
Revenue from operations			
Axis Aerospace & Technologies Limited	Intermediate Holding Company	30,000,000	23,400,875
Management fees charges			
Axis Aerospace & Technologies Limited	Intermediate Holding Company	-	12,717,727
Expenses incurred on behalf of			
Axis Aerospace & Technologies Limited	Intermediate Holding Company	13,601,571	17,835,644
Corporate guarantee fee income			
Axis Aerospace & Technologies Limited	Intermediate Holding Company	2,578,125	2,062,500

Notes to the consolidated financial statements for the year ended 31 March 2014 (Contd.)

iii. *Transactions with related parties (Cont'd):*

(Amount in ₹)

Nature of transaction	Relationship	Year ended	
		31 March 2014	31 March 2013
Intercorporate deposits availed			
Axis Aerospace & Technologies Limited	Intermediate Holding Company	189,000,000	53,000,000
Jupiter Capital Private Limited	Holding Company	-	42,500,000
Intercorporate deposits repaid			
Axis Aerospace & Technologies Limited	Intermediate Holding Company	185,292,105	164,000,000
Jupiter Capital Private Limited	Holding Company	42,500,000	-
Remuneration			
Mr. S. Ravinarayanan	Chairman & CEO	1,628,565	2,016,000
Mr. Valmeekanathan S.	CEO	857,143	-
Rent paid			
Hindusthan Infrastructure Projects & Engineering Private Limited	Fellow subsidiary	272,587	988,266
Interest expense on intercorporate deposits			
Axis Aerospace & Technologies Limited	Intermediate Holding Company	4,058,671	10,185,574
Jupiter Capital Private Limited	Ultimate Holding Company	1,317,740	2,985,067
Expenses recovered			
Axis Aerospace & Technologies Limited	Intermediate Holding Company	12,624,233	3,600,000
Corporate guarantee received			
Axis Aerospace & Technologies Limited	Intermediate Holding Company	-	44,300,000
Enertec Controls Limited	Entity under common control	150,000,000	-
Corporate guarantee extinguished			
Axis Aerospace & Technologies Limited	Intermediate Holding Company	825,000,000	-
Sale of trademark *			
Jupiter Capital Private Limited	Ultimate Holding Company	-	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.

Notes to the consolidated financial statements for the year ended 31 March 2014 (Contd.)

iv. Balances as at the year end:

(Amount in ₹)

Nature of transactions	Intermediate/Ultimate holding company		Fellow subsidiary		Entity under common control		Key management personnel		Total	
	31 March 2014	31 March 2013	31 March 2014	31 March 2013	31 March 2014	31 March 2013	31 March 2014	31 March 2013	31 March 2014	31 March 2013
Corporate guarantee given										
Axis Aerospace & Technologies Limited	-	825,000,000	-	-	-	-	-	-	-	825,000,000
Corporate guarantee received										
Axis Aerospace & Technologies Limited	-	215,800,000	-	-	-	-	-	-	-	215,800,000
Enertec Controls Limited	-	-	-	-	150,000,000	-	-	-	150,000,000	-
Intercorporate deposit outstanding										
Axis Aerospace & Technologies Limited	7,707,895	4,000,000	-	-	-	-	-	-	7,707,895	4,000,000
Jupiter Capital Private Limited	-	42,500,000	-	-	-	-	-	-	-	42,500,000
Remuneration payable										
Valmeekanathan S.	-	-	-	-	-	-	489,029	-	489,029	-
Interest accrued on intercorporate deposit										
Axis Aerospace & Technologies Limited	-	32,275	-	-	-	-	-	-	-	32,275
Jupiter Capital Private Limited	-	1,330,959	-	-	-	-	-	-	-	1,330,959
Expenses recoverable										
Axis Aerospace & Technologies Limited	977,339	1,841,722	-	-	-	-	-	-	977,339	1,841,722

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		Intersegment revenue		Total	
	31 March 2014	31 March 2013	31 March 2014	31 March 2013	31 March 2014	31 March 2013	31 March 2014	31 March 2013	31 March 2014	31 March 2013
External sales	461,924,368	436,905,192	1,481,339,521	1,040,369,895	1,381,978,343	1,633,812,271	(257,137,883)	(251,066,119)	3,068,104,349	2,860,021,239

Notes to the consolidated financial statements for the year ended 31 March 2014 (Contd.)

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 2014 following a detailed transfer pricing study conducted for the financial year ended 31 March 2013. 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

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

Category	Currency	Buy / Sell	31 March 2014	31 March 2013
Forward contracts for hedging	USD	Sell	17,50,000	-

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

Particulars	Included in	Currency	31 March 2014			31 March 2013		
			Conversion rate	Amount in foreign currency	Amount in ₹	Conversion rate	Amount in foreign currency	Amount in ₹
Trade receivables	USD	60.0998	2,785,959	167,435,593	54.3893	5,289,259	287,679,084	
	GBP	99.8498	-	-	82.3209	121,970	10,040,680	
	EURO	82.5765	346,134	28,582,523	69.5438	290,674	20,214,547	
Trade payable	USD	60.0998	928,671	55,812,949	54.3893	21,408	1,164,378	
	EURO	82.5765	267,099	22,056,136	69.5438	730,096	50,773,661	
	GBP	99.8498	-	-	82.3209	4,141	340,891	
	JPY	0.5883	300,000	176,490	0.5776	99,786	57,637	
	KRW	0.0562	-	-	0.0485	563,678	27,338	
Salary payable	USD	60.0998	18,028	1,083,498	54.3893	41,818	2,274,443	
	EURO	82.5765	94,528	7,805,769	69.5438	319,822	22,241,637	
PCFC	USD	60.0998	2,729,895	164,066,118	54.3893	3,496,502	190,172,298	

33. DETAILS OF SUBSIDIARY COMPANIES

Particulars	Axis EU Limited	Axis Inc.	Studec	Cades Canada	Axis China
Share capital	57,461,164	135,057,893	6,250,000	5,423	4,447,914
Reserves and surplus	9,606,549	52,903,570	67,519,722	41,433,926	(3,975,561)
Total assets	100,834,619	257,643,035	90,631,449	107,045,906	1,142,281
Total liabilities	33,766,906	69,681,571	16,861,727	65,606,558	669,928
Revenue from operations	312,577,214	887,961,443	127,124,827	181,660,907	-
Profit/ (loss) before tax	20,473,232	(13,799,695)	44,809,449	41,193,648	(2,878,070)
Tax expense	(910,830)	(2,449,187)	7,038,474	11,233,630	-
Profit/ (loss) after tax	21,384,062	(11,350,508)	37,770,975	29,960,017	(2,878,070)

34. PREVIOUS YEAR FIGURES

Pursuant to the Scheme (Refer note 2), the figures of the current year are not strictly comparable to those of the previous year. Previous year's figures have been regrouped / reclassified wherever necessary, to conform to current year's classification.

For **Walker Chandiok & Co LLP**
(formerly Walker, Chandiok & Co)
Chartered Accountants

For and on behalf of the Board of Directors

Sd/-
Kedar Nath Choudhury
Director

Sd/-
Valmeekananthan S.
Director & CEO

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

Sd/-
Shweta Agrawal
Company Secretary

New Delhi
30 May 2014

New Delhi
30 May 2014

AXISCADES Engineering Technologies Limited (Formerly Axis-IT&T Limited)
Reg. off.: A-264, 2nd Floor, Defence Colony, New Delhi-110024
CIN: L72200DL1990PLC041275. Website : www.axiscades.com, e-mail : info@axiscades.com

ATTENDANCE SLIP

To be handed over at the entrance of the Meeting Hall

DP Id*	
Client Id*	

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

I hereby record my presence at the 24th Annual General Meeting of the Company, to be held on Tuesday, 9th day of September 2014 at 3.30 p.m at Sri Sathya Sai International Center and School, Pragati Vihar, Lodhi Road, New Delhi- 110003

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

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

* Applicable for investors holding shares in electronic form

AXISCADES Engineering Technologies Limited (formerly Axis-IT&T Limited)

Reg. off.: A-264, 2nd Floor, Defence Colony, New Delhi-110024

Website : www.axiscades.com, e-mail : info@axiscades.com

PROXY

(Pursuant to section 105(6) of the Companies Act, 2013 & rule 19(3) of the Companies
(Management & Administration) Rules, 2014)

CIN: L72200DL1990PLC041275

Name of Member:

Registered Address

E-mail id

Folio No. / Client ID:

DP ID:

I/We being the Member/Members of AXISCADES ENGINEERING TECHNOLOGIES LIMITED (Formerly Axis-IT&T Limited) holding _____ shares hereby appoint _____ of _____ in the district of _____ e-mail id _____ or failing him _____ of _____ in the district of _____, email id. _____ as my/our Proxy to attend and vote for me/us and on my/our behalf at the 24th Annual General Meeting of the Company, to be held on Tuesday, 9th day of September 2014 at 3.30 p.m at Sri Sathya Sai International Center and School, Pragati Vihar, Lodhi Road, New Delhi- 110003 and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution No.

1. _____
2. _____
3. _____
4. A _____ B. _____
5. _____
6. _____
7. _____
8. _____
9. _____
10. _____
11. _____
12. _____

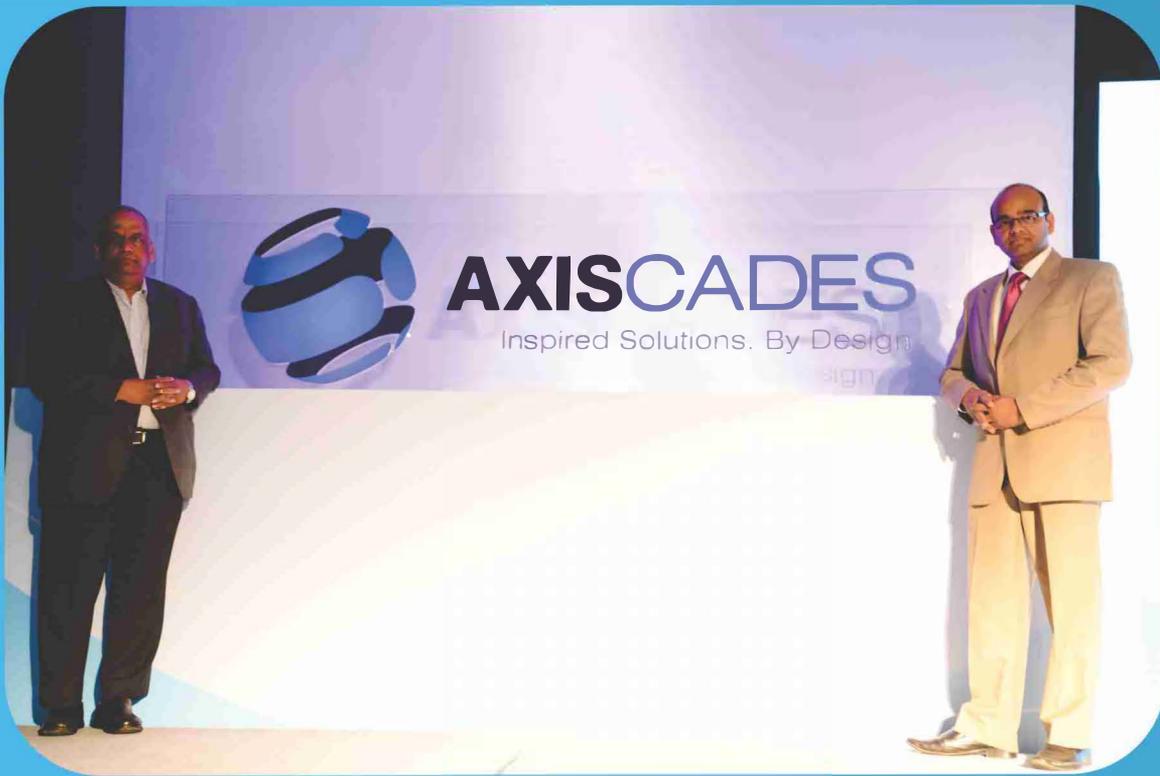
Affix Re 1 Revenue Stamp

Signature of shareholder: _____

Signature of proxy holder: _____

Signed this _____ day of _____ 2014

Note: This form duly completed and signed as per specimen signature registered with the company should be deposited at the Registered Office of the Company not less than 48 hours before the time of the commencement of the Meeting. The proxy need not be the member of the Company.



Launching of Consolidated Brand Entity



Visit of Dr. Thomas ENDERS, CEO - Airbus Group

Registered Office:

AXISCADES Engineering Technologies Limited

(formerly Axis-IT&T Limited)

CIN: L72200DL1990PLC041275

Reg. off.: A-264, 2nd Floor, Defence Colony, New Delhi-110024

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