

SCHEME OF AMALGAMATION

OF

INDIA AVIATION TRAINING INSTITUTE PRIVATE LIMITED

AND

AXISCADES ENGINEERING TECHNOLOGIES LIMITED

AND

THEIR RESPECTIVE SHAREHOLDERS AND CREDITORS

(UNDER SECTIONS 391 TO 394 OF THE COMPANIES ACT, 1956)

## GENERAL

### I. Purpose of Scheme

This Scheme of Amalgamation is presented under Sections 391 to 394 and other relevant applicable provisions of the Companies Act, 1956, for Amalgamation of India Aviation Training Institute Private Limited into AXISCADES Engineering Technologies Limited.

### II. Rationale for the Scheme

The Scheme of Amalgamation would *inter alia* have the following benefits:

1. Greater integration, financial strength and flexibility for the amalgamated entity, would result in maximizing overall shareholder value, and will improve the competitive position of the combined entity.
2. Greater efficiency in cash management of the amalgamated entity, and unfettered access to cash flow generated by the combined business which can be deployed more efficiently to fund organic and inorganic growth opportunities, to maximize shareholder value.
3. Improved organizational capability and leadership, arising from the pooling of human capital that has the diverse skills, talent and vast experience to compete successfully in an increasingly competitive industry.
4. Cost savings are expected to flow from more focused operational efforts, rationalization, usage of common resource pool like human resource, administration, finance, accounts, legal, technology and other related functions, leading to elimination of duplication and rationalization of administrative expenses.

### III. Parts of the Scheme

The Scheme is divided into following parts:

1. **Part A** - dealing with definitions of the terms used in this Scheme of Amalgamation and sets out the share capital of the Transferor Company and Transferee Company as defined in this Scheme;
2. **Part B** - dealing with the amalgamation of India Aviation Training Institute Private Limited into AXISCADES Engineering Technologies Limited;
3. **Part C** - dealing with the accounting treatment for the amalgamation in the books of the Transferee Company ; and
4. **Part D** - dealing with the dissolution of the Transferor Company without winding up and the general terms and other conditions applicable to this Scheme and other matters consequential and integrally connected thereto.

## PART A

### 1. DEFINITIONS

In this Scheme of Amalgamation, unless repugnant to the context, the following expressions shall have the following meaning:

- 1.1 **“Act”** means the Companies Act, 1956, ordinances, rules and regulations made there under and the relevant provisions of Companies Act, 2013 to the extent applicable and shall include any statutory modifications, re - enactment or amendment thereof.
- 1.2 **“Appointed Date”** means the 1st day of April, 2016, or such other date as the Hon’ble High Court or such other authorities may direct/ fix.
- 1.3 **“ACETL” or “Transferee Company”** means AXISCADES Engineering Technologies Limited, a company incorporated under the Companies Act, 1956, and having its registered office at A-264, Second Floor, Defence Colony, New Delhi - 110024. ACETL is in the process of shifting its registered office to Bengaluru in the state of Karnataka.
- 1.4 **“Board of Directors” or “Board”** means the board of directors of the Transferor Company or the Transferee Company, as the case may be, and shall include a duly constituted committee thereof.
- 1.5 **“IAT” or “Transferor Company”** means India Aviation Training Institute Private Limited, a company incorporated under the Companies Act, 1956, and having its registered office at Jupiter Innovision Centre, No.54, Richmond Road, Bangalore - 560025.

- 1.6 **“Effective Date”** means the last of the date on which the certified copy of the order of the High Court sanctioning the Scheme is filed with the Registrar of Companies, Karnataka at Bangalore by Transferee Company and Transferor Company respectively.
- 1.7 **“High Court” or “Court”** means the Hon’ble High Court of Karnataka at Bangalore, having jurisdiction in relation to the Transferee Company and the Transferor Company and as the context may require and shall include National Company Law Tribunal, if applicable.
- 1.8 **“Income-tax Act”** means the Income-tax Act, 1961, and shall include any statutory modifications, re-enactment or amendment thereof.
- 1.9 **“Record Date”** means the date to be fixed by the Board of Directors of ACETL for the purpose of issue of new equity shares (defined later) to the shareholders of IAT under the Scheme.
- 1.10 **“Scheme” or “the Scheme” or “this Scheme”** means this Scheme of Amalgamation in its present form or with any modification(s) made there under, as approved or directed by the High Court or any other appropriate authority.

All terms and words not defined in this Scheme shall, unless repugnant or contrary to the context or meaning thereof, have the same meaning ascribed to them under the Act, and other applicable laws, rules, regulations, bye-laws, as the case may be or any statutory modification or re-enactment thereof from time to time.

## 2. SHARE CAPITAL

2.1. The share capital of the Transferor Company as at March 31, 2015, was as under:

Authorised Capital	Amount in INR
10,00,000 Equity shares of Re. 10/- each	1,00,00,000
Issued, Subscribed and Paid-Up Capital	Amount in INR
10,000 Equity shares of Re. 10/- each fully paid-up	1,00,000

Subsequent to March 31, 2015, the Transferor Company has increased its authorised and paid-up share capital pursuant to which the share capital is as under:

Authorised Capital	Amount in INR
4,80,00,000 Equity Shares of Rs.10/- each	48,00,00,000
Issued, Subscribed and Paid-up Capital	Amount in INR
4,75,64,716 Equity Shares of Rs.10/- each fully Paid-up	47,56,47,160

Post the above, there is no change in the equity share capital of the Transferor Company.

2.2. The share capital of the Transferee Company as at March 31, 2015, was as under:

<b>Authorised Capital</b>	<b>Amount in INR</b>
10,80,00,000 Equity Shares of Re. 5/- each	54,00,00,000
1,00,00,000 Preference Shares of Re. 100/- each	1,00,00,000
<b>Total</b>	<b>55,00,00,000</b>
<b>Issued Share Capital</b>	<b>Amount in INR</b>
2,72,40,693 Equity Shares of Re. 5/- each	13,62,03,465
<b>Total</b>	<b>13,62,03,465</b>
<b>Subscribed and Paid-Up Capital</b>	<b>Amount in INR</b>
2,71,89,593 Equity Shares of Re. 5/- each	13,59,47,965
<b>Add: Forfeited shares (amount originally paid Re. 3 per share on 51,100 equity shares)</b>	1,53,300
<b>Total</b>	<b>13,61,01,265</b>

Subsequent to the above date there has been no change in the share capital of the Transferee Company.

### 3. DATE OF TAKING EFFECT AND OPERATIVE DATE

The Scheme set out herein in its present form or with any modification(s) approved or imposed or directed by the High Court or any other appropriate authority shall be effective from the Appointed Date mentioned herein, but shall be operative from the Effective Date.

## PART B

### AMALGAMATION OF INDIA AVIATION TRAINING INSTITUTE PRIVATE LIMITED INTO AXISCADES ENGINEERING TECHNOLOGIES LIMITED

#### 4. AMALGAMATION

- 4.1 Subject to the provisions of this Scheme as specified hereinafter and with effect from the Appointed Date, the entire business and undertaking(s) of the Transferor Company including all the debts, liabilities, duties and obligations, including those arising on account of taxation laws and other allied laws, of the Transferor Company of every description and also including, without limitation, all the movable and immovable properties and assets (whether tangible or intangible) of the Transferor Company comprising, amongst others, all freehold land, leasehold land, building, plants, motor vehicles, receivables, actionable claims, furniture and fixtures, computers, office equipment, electrical installations, telephones, telex, facsimile and other communication facilities and business licenses, permits, deposits, authorisations, approvals, insurance cover of every description, lease, tenancy rights, permissions, incentives, if any, and all other rights, patents, know-how, trademark, service mark, trade secret, brands, registrations, product licenses, marketing authorisations or other intellectual property rights, proprietary right, title, interest, contracts, consent, approvals and rights and powers of every kind, nature and description whatsoever, privileges, liberties, easements, advantages, benefits and approvals, shall, under the provisions of Sections 391 to 394 of the Act, and pursuant to the order of the High Court sanctioning this Scheme and without further act, instrument or deed, but subject to the charges affecting the same as on the Effective Date, be transferred and/or deemed to be transferred to and vested in the Transferee Company, so as to become the



properties, assets, rights, business and undertaking(s) of the Transferee Company .

- 4.2 With effect from the Appointed Date all debts, liabilities, duties and obligations of the Transferor Company as on the Appointed Date whether provided for or not in the books of account of the Transferor Company and all other liabilities which may accrue or arise after the Appointed Date but which relate to the period on or up to the day of the Appointed Date shall be the debts, liabilities, duties and obligations of the Transferee Company including any encumbrance on the assets of the Transferor Company or on any income earned from those assets.
- 4.3 With effect from the Appointed Date, all inter-party transactions between the Transferor Company and the Transferee Company shall be considered as intra-party transactions for all purposes from the Appointed Date.
- 4.4 Loans, advances and other obligations (including any guarantees, letters of credit, letters of comfort or any other instrument or arrangement which may give rise to a contingent liability in whatever form), if any, due or which may at any time in future become due between the Transferor Company and the Transferee Company shall, *ipso facto*, stand discharged and come to an end and there shall be no liability in that behalf on any party and appropriate effect shall be given in the books of accounts and records of the Transferee Company. It is hereby clarified that there will be no accrual of interest or other charges in respect of any inter-company loans, advances and other obligations with effect from the Appointed Date.
- 4.5 All the existing securities, mortgages, charges, encumbrances or liens, if any, as on the Appointed Date or created by the Transferor Company after the Appointed Date, over the assets comprised in the undertaking or any part thereof transferred to the Transferee Company by virtue of this Scheme and

in so far as such securities, mortgages, charges, encumbrances or liens secure or relate to liabilities of the Transferor Company, the same shall, after the Effective Date, continue to relate and attach to such assets or any part thereof to which they are related or attached prior to the Effective Date and as are transferred to the Transferee Company, and such securities, mortgages, charges, encumbrances or liens shall not relate or attach to any of the other assets of the Transferee Company, provided however that no encumbrances shall have been created by the Transferor Company over its assets after the date of filing of the Scheme without the prior written consent of the Board of Directors of the Transferee Company.

- 4.6 The existing encumbrances over the assets and properties of the Transferee Company or any part thereof which relate to the liabilities and obligations of the Transferee Company prior to the Effective Date shall continue to relate only to such assets and properties and shall not extend or attach to any of the assets and properties of the Transferor Company transferred to and vested in the Transferee Company by virtue of this Scheme.
- 4.7 It is expressly provided that, save as herein provided, no other term or condition of the liabilities transferred to the Transferee Company is modified by virtue of this Scheme except to the extent that such amendment is required statutorily or by necessary implication.
- 4.8 With effect from the Appointed Date, all statutory licences, registrations, incentives, tax deferrals and benefits, carry-forward of tax losses, tax credits, tax refunds, subsidies, concessions, grants, rights, claims, leases, tenancy rights, liberties, permissions, approvals or consents to carry on the operations of the Transferor Company, special status and other benefits or privileges enjoyed or conferred upon or held or availed of by the Transferor Company and all rights and benefits that have accrued or which may accrue

to the Transferor Company, whether before or after the Appointed Date shall stand vested in or transferred to the Transferee Company, pursuant to the Scheme, without any further act or deed and shall remain valid, effective and enforceable on the same terms and conditions and shall be appropriately mutated by the statutory authorities concerned in favour of the Transferee Company upon the vesting and transfer of the undertakings of the Transferor Company pursuant to this Scheme.

- 4.9 The amalgamation of the Transferor Company with the Transferee Company, pursuant to and in accordance with this Scheme, shall take place with effect from the Appointed Date and shall be in accordance with Section 2(1B) of the Income-Tax Act.

## 5. CONSIDERATION

- 5.1 Upon the coming into effect of this Scheme and in consideration of the transfer and vesting of the Transferor Company in the Transferee Company in terms of this Scheme, the Transferee Company shall, without any further application, act, instrument or deed, issue and allot to the equity shareholders of the Transferor Company, whose names are registered in the Register of Members and/ or on records of the Depositories as the case may be, of the Transferor Company on the Record Date (to be fixed by the Board of Directors of the Transferee Company) or his /her/its legal heirs, executors or administrators or, as the case may be, successors -in-title, as the case may be, fully paid up equity shares in the following proportion viz.:

“10 (“Ten”) fully paid up equity share of Rs 5/- each of the Transferee Company shall be issued and allotted for every 45 (“Forty Five”) fully paid up equity share of Rs 10/- each held in Transferor Company (hereinafter referred to as “New Equity Shares”)

- 5.2 The equity shares to be issued and allotted by Transferee Company as per Clause 5.1 would be with rights attached hereto as under:
- (a) The New Equity Shares to be issued and allotted by the Transferee Company in terms hereof will be subject to Memorandum and Articles of Association and shall rank *pari passu* with the existing equity shares of the Transferee Company in all respects including dividend.
  - (b) The Transferee Company shall, if and to the extent required, apply for and obtain any approvals from concerned regulatory authorities for the issue and allotment of New Equity Shares to the members of the Transferor Company, as the case may be, under the Scheme.
  - (c) The Transferee Company shall, to the extent required, have Authorised Share Capital in order to issue New Equity Shares under this Scheme.
- 5.3 The Equity Shares to be issued to the members of the Transferor Company under Clause 5.1 shall be in multiples of 1. Any issue of fractional shares as per Clause 5.1, shall be rounded-off to the nearest whole number.
- 5.4 The issue and allotment of New Equity Shares by the Transferee Company to the shareholders of the Transferor Company as the case may be, as provided in this Scheme is an integral part thereof and shall be deemed to have been carried out as if the procedure laid down under Section 62(1) and any other applicable provisions of the Act were duly complied with.

- 5.5 The New equity shares of the Transferee Company issued in terms of Clause 5.1 of this Scheme will be listed and/or admitted to trading on BSE Limited and National Stock Exchange of India Limited where the shares of the Transferee Company are listed and/or admitted to trading. The Transferee Company shall enter into such arrangements and give such confirmations and/ or undertakings as may be necessary in accordance with the applicable laws or regulations for complying with the formalities of the said stock exchanges.
- 5.6 For the purpose of issue of New equity shares to the shareholders of the Transferor Company, the Transferee Company shall, if and to the extent required, apply for and obtain the required statutory approvals and approvals of other concerned regulatory authorities for the issue and allotment by the Transferee Company of such equity shares.
- 5.7 In the event of there being any pending share transfers with respect to any application lodged for transfer by any shareholder of the Transferor Company, the Board of Directors or any committee thereof of the Transferor Company, if in existence, or failing which, the Board of Directors or any committee thereof of the Transferee Company shall be empowered in appropriate cases, even subsequent to the Record Date, to effectuate such a transfer in the Transferor Company as if such changes in registered holder were operative as on the Record Date, in order to remove any difficulties arising to the transferor or the transferee of the share(s) in the Transferor Company and in relation to the New Equity Shares after the Scheme becomes effective.

## 6. STAFF, WORKMEN & EMPLOYEES

- 6.1 On the Scheme becoming effective, all staff, workmen and employees of the Transferor Company in service on the Effective Date shall be deemed to have become staff, workmen and employees of the Transferee Company with effect from the Appointed Date, without any break or interruption in their service and on the basis of continuity of service, and the terms and conditions of their employment with the Transferee Company (i.e. Cost to company basis, in monetary terms) shall not be less favourable than those applicable to them with reference to their employment with the Transferor Company on the Effective Date.
- 6.2 It is expressly provided that, on the Scheme becoming effective, the provident fund, gratuity fund, superannuation fund or any other special fund or trusts, if any, created or existing for the benefit of the staff, workmen and employees of the Transferor Company shall become trusts or funds of the Transferee Company for all purposes whatsoever in relation to the administration or operation of such fund or funds or in relation to the obligation to make contributions to the said fund or funds in accordance with the provisions thereof as per the terms provided in the respective trust deeds, if any, to the end and intent that all rights, duties, powers and obligations of the Transferor Company in relation to such fund or funds shall become that of the Transferee Company. It is clarified that, for the purpose of the said fund or funds, the services of the staff, workmen and employees of the Transferor Company will be treated as having been continuous with the Transferee Company from the date of employment as reflected in the records of the Transferor Company.

## 7. LEGAL PROCEEDINGS

If any suit, appeal or other proceeding of whatever nature by or against the Transferor Company is pending, including those arising on account of taxation laws and other allied laws, the same shall not abate or be discontinued or in any way be prejudicially affected by reason of the arrangement by anything contained in this Scheme, but the said suit, appeal or other legal proceedings may be continued, prosecuted and enforced by or against the Transferee Company in the same manner and to the same extent as it would or might have been continued, prosecuted and enforced by or against the Transferor Company as if this Scheme had not been made.

## 8. CONTRACTS, DEEDS, ETC. & POWER TO GIVE EFFECT TO THIS PART

8.1 Subject to the other provisions of this scheme, all contracts, deeds, bonds, agreements, licences, permits, registrations, approvals and other instruments, if any, of whatsoever nature to which the Transferor Company are a party and subsisting or having effect on the Effective Date, shall be in full force and effect against or in favour of the Transferee Company, as the case may be, and may be enforced by or against the Transferee Company as fully and effectually as if, instead of the Transferor Company, the Transferee Company had been a party thereto, notwithstanding the terms contained in such contracts, deeds, bonds, agreements, licences, permits, registrations, approvals and other instruments.

8.2 The Transferee Company shall enter into and/ or issue and/ or execute deeds, writings or confirmations or enter into any tripartite arrangements, confirmations or novations, to which the Transferor Company will, if necessary, also be party in order to give formal effect to the provisions of this Scheme, if so required. Further, the Transferee Company shall be

deemed to be authorised to execute any such deeds, writings or confirmations on behalf of the Transferor Company and to implement or carry out all formalities required on the part of the Transferor Company to give effect to the provisions of this Scheme.

## 9. TAXATION MATTERS

9.1 Upon the Scheme coming into effect, the Transferee Company through its Board of Directors, or any person(s) or committee authorised/ appointed by them, may carry out or assent to any modifications/ amendments to the returns and other documents filed by the Transferor Company for periods falling prior to the Appointed Date, in relation to taxation and other allied laws, desirable or appropriate by them (i.e., the Board of Directors or the person(s)/ committee).

9.2 Any tax liabilities under the Income-tax Act, 1961, Wealth Tax Act, 1957, Customs Act, 1962, any other state Sales Tax/ Value Added Tax laws, Service Tax, stamp laws or other applicable laws/ regulations in India or any overseas jurisdiction (hereinafter in this Clause referred to as "Tax Laws") dealing with taxes/ duties/ levies allocable or related to the business of the Transferor Company to the extent not provided for or covered by tax provision in the books of accounts made as on the date immediately preceding the Appointed Date shall be transferred to the Transferee Company.

9.3 Upon coming into effect of the Scheme, all taxes (including income tax, tax deducted at source (TDS), advance tax, wealth tax, sales tax, excise duty, customs duty, service tax, VAT, etc.) paid by the Transferor Company from the Appointed Date regardless of the period to which they relate shall be deemed to have been paid for and on behalf of and to the credit of the Transferee Company and the Transferee Company shall be entitled to take



credit for such taxes notwithstanding that certificates/ challans for the said taxes are in the name of the Transferor Company and not in the name of the Transferee Company. Likewise all taxes (including income tax, wealth tax, sales tax, excise duty, customs duty, service tax, VAT, etc.) payable by the Transferor Company in respect of the operations and/ or the profits of the business on and from the Appointed Date, shall be on account of the Transferee Company and, insofar as it relates to the tax payment (including without limitation income tax, wealth tax, sales tax, excise duty, customs duty, service tax, VAT, etc.), whether by way of deduction at source, advance tax or otherwise howsoever, the same shall be deemed to be the corresponding tax paid by the Transferee Company and, shall, in all proceedings, be dealt with accordingly. The Transferee Company shall, upon the coming into effect of the Scheme, be entitled to revise the income tax returns, wealth tax return or any other relevant tax returns, if any, filed by it or the Transferor Company for any year, if so necessary pursuant or consequent to the Scheme to the extent such revision is permissible under applicable law(s) or suitably incorporate such transactions in its annual returns with necessary intimation to tax offices.

- 9.4 Without prejudice to generality of the aforesaid, any concession or statutory forms under the Tax Laws or local levies issued or received by the Transferor Company in respect of period commencing from the Appointed Date shall be deemed to be issued or received in the name of the Transferee Company and benefit of such forms shall be allowable to the Transferee Company in the same manner and to the same extent as would have been available to the Transferor Company. Without prejudice to generality of the aforesaid, any concessional or statutory declaration forms under the state VAT Laws or Central Sales Tax Laws or local levies issued or received by the Transferor Company in respect of period commencing from the Appointed Date and till the Effective Date shall be deemed to be issued or

received in the name of the Transferor Company and such forms shall be used by Transferor Company in good faith and bonafide business operations subject however that unutilised forms as on the Effective Date shall be surrendered to Commercial tax department for fresh issuance of corresponding forms in favor of the Transferee Company.

- 9.5 Any refund under the Tax Laws due to Transferor Company consequent to the assessments made on Transferor Company and for which no credit is taken in the accounts as on the date immediately preceding the Appointed Date shall also belong to and be received by the Transferee Company.
- 9.6 Since each of the permissions, approvals, consents, sanctions, remissions, special reservations, service-tax exemptions, incentives, concessions and other authorizations of the Transferor Company shall stand transferred by the order of the High Court to the Transferee Company, the Transferee Company shall file the relevant intimations, for the record of the statutory authorities who shall take them on file, pursuant to the vesting orders of the sanctioning High Court.
- 9.7 Pursuant to this Scheme, it is declared that the various benefits which the Transferor Company is entitled to under incentive schemes including export related incentive schemes and policies under various laws, regulations and notifications, shall be transferred to and vest in the Transferee Company and all benefits, entitlements and incentives of any nature whatsoever including service-tax concessions, and incentives shall be claimed by the Transferee Company and these shall relate back to the Appointed Date as if the Transferee Company was originally entitled to all benefits under such incentive schemes and policies, subject to continued compliance by the Transferee Company of all the terms and conditions subject to which the

benefits under the incentive schemes and policies were made available to Transferor Company.

## 10. REORGANISATION & RECLASSIFICATION OF THE SHARE CAPITAL OF THE TRANSFEEE COMPANY

- 10.1 Upon the Scheme coming into effect, the authorised share capital of the Transferee Company in terms of its Memorandum of Association and Articles of Association shall automatically stand enhanced without any further act, instrument or deed on the part of the Transferee Company, including payment of stamp duty and fees payable to Registrar of Companies, by an amount of Rs. 48,00,00,000/- (Rupees Forty Eight Crores Only), and the Memorandum of Association and Articles of Association of the Transferee Company (relating to the Authorized Share Capital) shall, without any further act, instrument or deed, be and stand altered, modified and amended, and the consent of the shareholders to the Scheme shall be deemed to be sufficient for the purposes of effecting this amendment, and no further resolution(s) under Sections 13, 14, 15, 61 and 64 or any other applicable provisions of the Act, would be required to be separately passed. For this purpose, the filing fees and stamp duty already paid by the Transferor Company on its respective authorised share capitals shall be utilized and applied to the increased share capital of the Transferee Company, and shall be deemed to have been so paid by the Transferee Company on such combined authorised share capital and accordingly, the Transferee Company shall not be required to pay any fees/ stamp duty on the authorised share capital so increased.

Accordingly, in terms of this Scheme, the authorised share capital of the Transferee Company shall stand enhanced to an amount of Rs. 1,02,00,00,000/- (Rupees One Hundred Two Crores Only) and the face value of Equity shares will be classified into and be divided into 20,40,00,000

(Twenty Crores Forty Lakhs ) equity shares of Rs. 5/- each and 1,00,000 (One Lakh) Preference shares of Rs. 100/- each and the capital clause being Clause V of the Memorandum of Association of the Transferee Company shall stand substituted to read as follows:

“The Authorized Share Capital of the Company is Rs. 1,02,00,00,000/- (Rupees One Hundred Two Crores Only) divided into 20,40,00,000 (Twenty Crores Forty Lakhs ) equity shares of Rs. 5/- each and 1,00,000 (One Lakh) Preference shares of Rs. 100/- each.”

## PART C

### 11 ACCOUNTING TREATMENT IN THE BOOKS OF THE TRANSFEREE COMPANY

On the Scheme becoming effective the Transferee Company shall account for the amalgamation of the Transferor Company in its books as given below:

- 11.1 All the assets, including but not limited to the fixed assets, existing investments in India or outside India, intangibles and any other assets recorded in the books of the Transferor Company, subject to clause 11.5, be recorded by the Transferee Company at its respective book values.
- 11.2 All the liabilities recorded in the books of the Transferor Company, subject to clause 11.5, be recorded by the Transferee Company at its respective book values.
- 11.3 The face value of the New Equity shares of the Transferee Company issued pursuant to this Scheme shall be credited to the Equity Share Capital account in the books of the Transferee Company.
- 11.4 In case of any differences in accounting policies between the Transferee Company and the Transferor Company the accounting policies followed by the Transferee Company shall prevail to ensure that the Financial Statements reflect the financial position on the basis of consistent accounting policies.
- 11.5 The amount of any inter-company balances, amounts or investments between the Transferor Company and the Transferee Company, appearing

in the books of account of the Transferee Company and the Transferor Company shall stand cancelled without any further act or deed, upon the Scheme coming into effect.

- 11.6 The surplus arising out of the value of assets as recorded in clause 11.1 over the value of liabilities as recorded in clause 11.2 including the face value of New Equity Shares issued as mentioned in clause 11.3 and after making adjustments as mentioned in clauses 11.4 and 11.5 will be in accordance with the Pooling of Interest method as prescribed under Accounting Standards 14 – Accounting for Amalgamations issued by Institute of Chartered Accountants of India.

## **12 TRANSACTIONS BETWEEN APPOINTED DATE AND EFFECTIVE DATE**

During the period from the Appointed Date to the Effective Date:

- 12.1 The Transferor Company shall carry on and be deemed to have carried on their respective business and activities and shall be deemed to have held and stood possessed of and shall hold and stand possessed of their entire businesses and undertakings for and on account of and in trust for the Transferee Company.
- 12.2 The Transferor Company shall carry on its respective business activities in the ordinary course of business with reasonable diligence and business prudence.
- 12.3 All the profits or income accruing or arising to the Transferor Company or expenditure or losses incurred or arising to the Transferor Company shall for all purposes be treated and deemed to be and accrue as the profits or

income or expenditure or losses (as the case may be) of the Transferee Company.

- 12.4 The Transferee Company shall be entitled pending the sanction of the Scheme to apply to the Central Government and all other Government Authorities/Agencies concerned as are necessary under any law for such consents, approvals and sanctions which the Transferee Company may require to carry on the business of the Transferor Company.

### 13 SAVING OF CONCLUDED TRANSACTIONS

Subject to the terms of this Scheme, the transfer and vesting of the assets and liabilities of the Transferor Company under clause 4 of this Scheme shall not affect any transactions or proceedings already concluded by the Transferor Company on or before the Appointed Date or concluded after the Appointed Date till the Effective Date, to the end and intent that the Transferee Company accepts and adopts all acts, deeds and things made, done and executed by the Transferor Company as acts, deeds and things made, done and executed by or on behalf of the Transferee Company.

## PART D

### DISSOLUTION OF THE TRANSFEROR COMPANY AND THE GENERAL TERMS AND CONDITIONS APPLICABLE TO THIS SCHEME OF AMALGAMATION AND OTHER MATTERS CONSEQUENTIAL AND INTEGRALLY CONNECTED THERETO

#### 14 WINDING UP

On the Scheme becoming effective the Transferor Company shall stand dissolved without being wound-up.

#### 15 CONDITIONALITY OF THE SCHEME

This Scheme is and shall be conditional upon and subject to:

- i. The requisite consent, approval or permission of the Central Government, Securities and Exchange Board of India ("SEBI") or any Government Authorities, which by law may be necessary for the implementation of this Scheme;
- ii. The Scheme being approved by shareholders of Transferee Company through special resolution passed by way of postal ballot and e-voting in terms of para 5.16 of SEBI Circular No. CIR/CFD/DIL/5/2013 dated February 4, 2013 read with SEBI Circular No. CIR/CFD/DIL/8/2013 dated May 21, 2013, provided that the same shall be acted upon only if the votes cast by the public shareholders in favour of the proposal are more than the number of votes cast by the public shareholders against it;
- iii. The certified copies of the orders of the High Court sanctioning the Scheme are filed with the Registrar of Companies, Karnataka; and



- iv. Compliance with such other conditions as may be imposed by the High Court.

## 16 APPLICATION TO HIGH COURT

The Transferee Company and the Transferor Company shall, with all reasonable despatch, make and file applications to the High Court, within whose jurisdiction the registered offices of the Transferee Company and the Transferor Company are situated for sanctioning the Scheme and for dissolution of the Transferor Company without being wound-up.

## 17 MODIFICATION OR AMENDMENTS TO THE SCHEME

The Transferee Company and the Transferor Company by their respective Board of Directors, or any person(s) or committee authorised/ appointed by them may carry out or assent to any modifications/ amendments to the Scheme or to any conditions or limitations that the High Court and/ or any other authority may deem fit to direct or impose or which may otherwise be considered necessary, desirable or appropriate by them (i.e., the Board of Directors or the person(s)/ committee). The Transferee Company and the Transferor Company by their respective Board of Directors, or any person(s) or committee authorised/ appointed by them shall be authorised to take all such steps as may be necessary, desirable or proper to resolve any doubts, difficulties or questions whether by reason of any directive or orders of any other authorities or otherwise howsoever arising out of or under or by virtue of the Scheme and / or any matter concerned or connected therewith.

## 18 EFFECT OF NON-RECEIPT OF APPROVALS

In the event any of the approvals or conditions enumerated in the Scheme not being obtained or complied with, or for any other reason, the Scheme cannot be implemented, the Board of Directors of the Transferee Company and the Transferor Company shall mutually waive such conditions as they consider appropriate to give effect, as far as possible, to this Scheme and failing such mutual agreement, or in case the Scheme is not sanctioned by the High Courts, the Scheme shall become null and void and each party shall bear and pay their respective costs, charges and expenses in connection with the Scheme.

## 19 COSTS, CHARGES AND EXPENSES

In the event of the Scheme being sanctioned by the High Court, the Transferee Company shall bear and pay all costs, charges, expenses, taxes including duties, levies in connection with the Scheme.

**SSPA & Co., Chartered Accountants**  
1<sup>st</sup> Floor, "Arjun", Plot No. 6A,  
V. P. Road, Andheri (W),  
Mumbai 400 058  
Maharashtra, India

**Rajendra & Co., Chartered Accountants**  
1311, Dalamal Tower,  
211 Nariman Point  
Mumbai 400 021  
Maharashtra, India

**STRICTLY PRIVATE & CONFIDENTIAL**

August 12, 2015

The Board of Directors,  
**AXISCADES Engineering Technologies Limited**  
A 264 Defence Colony, 2<sup>nd</sup> Floor,  
New Delhi – 110 024.

The Board of Directors,  
**India Aviation Training Institute Private Limited**  
Jupiter Innovision Centre, No. 54,  
Richmond Road, Bangalore – 560 025.

**Re: Recommendation of fair equity share exchange ratio for the purpose of proposed amalgamation of India Aviation Training Institute Private Limited into AXISCADES Engineering Technologies Limited**

Dear Sirs,

As requested by the management of AXISCADES Engineering Technologies Limited (hereinafter referred to as "ACET") and India Aviation Training Institute Private Limited (hereinafter referred to as "IAT"), SSPA & Co., Chartered Accountants (hereinafter referred to as "SSPA") and Rajendra & Co., Chartered Accountants (hereinafter referred to as "RCO") have undertaken valuation exercise of equity shares of ACET and IAT to recommend fair share exchange ratio for the proposed amalgamation of IAT into ACET (hereinafter collectively referred to as "Companies"). SSPA & RCO have been referred to as "Valuers" or "we" or "us" or "our" and individually referred to as "Valuer" in this joint share exchange ratio report ("Valuation Report" or "Report").

**1. PURPOSE OF VALUATION**

- 1.1 We have been informed that the Board of Directors of ACET and IAT are proposing amalgamation of IAT with ACET (hereinafter referred to as the "Amalgamation").
- 1.2 We have been informed by the management of ACET and IAT (hereinafter referred to as the "Management") that, pursuant to a scheme of arrangement under sections 391 to 394, other relevant provisions of the Companies Act, 1956 and relevant provisions of Companies Act, 2013 to the extent applicable (hereinafter referred to as "the Scheme")



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Page 1 of 9



and subject to necessary approvals, IAT would be merged with ACET. The appointed date for the proposed Amalgamation is April 1, 2016.

## 2. BRIEF BACKGROUND

### 2.1 AXISCADES ENGINEERING TECHNOLOGIES LIMITED

2.1.1 AXISCADES Engineering Technologies Limited (formerly known as Axis IT&T Limited) is an engineering design solutions provider, catering to the futuristic needs of Aerospace, Heavy Engineering, Automotive and Industrial Production sectors.

2.1.2 ACET provides engineering solutions across lifecycle of the product starting from product design, system engineering, manufacturing to product support.

2.1.3 ACET has been formed through the merger of two entities – Axis-IT&T Limited (Engineering services for Heavy Engineering and Industrial Products) and Cades Digitech Private Limited (Engineering services for Aerospace and Automotive domains) – to leverage on their processes, technology and customer relationships. ACET has offices worldwide including North America, Europe and Asia.

2.1.4 Shares of ACET are listed on BSE Limited ('BSE') and National Stock Exchange of India Limited ('NSE').

### 2.2 INDIA AVIATION TRAINING INSTITUTE PRIVATE LIMITED

2.2.1 IAT was established for providing aviation related training solutions. Currently IAT does not have any business operations.

2.2.2 In FY 2015-16, IAT acquired 100% stake in AXISCADES Aerospace & Technologies Private Limited (hereinafter referred to as "ACAT").

2.2.3 ACAT (formerly known as Axis Aerospace & Technologies Limited and erstwhile known as Jupiter Strategic Technologies Private Limited) was setup in the year 2001. Presently, ACAT is a Premier Technology Company in the Strategic Technologies space with a proven track record. It Has built outstanding capabilities in System integration and Design & Development of solutions and platforms in the areas of Automatic Test Equipment & Test solutions, Software & Simulation, Avionics, Electronic warfare systems and Military-Paramilitary training solutions amongst others

2.2.4 ACAT's focus is mainly on Systems Integration for Electronic Warfare, Communications, Surveillance and Access Control, Radar and Avionics, Command and Control.



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2.2.5 ACAT holds 100% investment in AXISCADES Aerospace Infrastructure Private Limited (formerly known as "Jupiter Aviation Services Private Limited") (hereinafter referred to as "ACA IPL"). ACA IPL has been allotted 75 acres of land by KIADB, Government of Karnataka, wherein Aerospace Park would be developed. However ACA IPL has not commenced development of the said Aerospace Park and does not have any other business operations.

### 3. SOURCES OF INFORMATION

For the purposes of our valuation exercise, we have relied upon the following sources of information as provided to us by the management of the Companies:

- (a) Audited financial statements of ACET, IAT ACAT and ACA IPL for the year ended March 31, 2015.
- (b) Management certified estimated Balance Sheet and Profit and Loss Statement of ACET, IAT, ACAT and ACA IPL for the year ended March 31, 2016.
- (c) Financial Projections of ACET and ACAT for FY 2016-17 to FY 2019-20.
- (d) Draft Scheme of Arrangement.
- (e) Discussions with the Management on various issues relevant for the valuation including the prospects and outlook for the industry, expected growth rate and other relevant information relating to future expected profitability of the business, etc.
- (f) Other relevant details regarding the Companies such as their history, past and present activities, future plans and prospects, existing shareholding pattern and other relevant information and data, including information in the public domain.
- (g) Such other information and explanations as we have required and which have been provided by the Management.

### 4. EXCLUSIONS AND LIMITATIONS

- 4.1 Our report is subject to the scope limitations detailed hereinafter. As such, the report is to be read in totality, and not in parts, in conjunction with the relevant documents referred to herein.
- 4.2 Valuation is not a precise science and the conclusions arrived at in many cases will, of necessity, be subjective and dependent on the exercise of individual judgment.



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Page 3 of 9



- 4.3 No investigation on the Companies' claim to title of assets has been made for the purpose of this report and their claim to such rights has been assumed to be valid. Therefore, no responsibility is assumed for matters of a legal nature.
- 4.4 Our work does not constitute an audit or certification of the historical financial statements/prospective results including the working results of the Companies referred to in this report. Accordingly, we are unable to and do not express an opinion on the fairness or accuracy of any financial information referred to in this report.
- 4.5 A valuation of this nature involves consideration of various factors including those impacted by prevailing market trends in general and industry trends in particular. This report is issued on the understanding that the management of the Companies have drawn our attention to all the matters, which they are aware of concerning the financial position of the Companies and any other matter, which may have an impact on our opinion, on the value of the shares of the Companies including any significant changes that have taken place or are likely to take place in the financial position of the Companies subsequent to date of this report. We have no responsibility to update this report for events and circumstances occurring after the date of this report.
- 4.6 In the course of the valuation, we were provided with both written and verbal information. We have however, evaluated the information provided to us by the Companies through broad inquiry, analysis and review but have not carried out a due diligence or audit of the information provided for the purpose of this engagement. Public information, estimates, industry and statistical information relied in this report have been obtained from the sources considered to be reliable. However, we have not independently verified such information and make no representation as to the accuracy or completeness of such information provided by such sources. Our conclusions are based on the assumptions, forecasts and other information given by/on behalf of the Companies. We assume no responsibility for any errors in the above information furnished by the Companies and consequential impact on the present exercise.
- 4.7 Our recommendation is based on the estimates of future financial performance as projected by the management of the Companies, which represents their view of reasonable expectation at the point of time when they were prepared, but such information and estimates are not offered as assurances that the particular level of

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Page 4 of 9



- income or profit will be achieved or events will occur as predicted. Actual results achieved during the period covered by the prospective financial statements may vary from those contained in the statement and the variation may be material. The fact that we have considered the projections in this exercise of valuation should not be construed or taken as our being associated with or a party to such projections.
- 4.8 Our report is not, nor should it be construed as our opining or certifying the compliance of the proposed amalgamation with the provisions of any law including companies, taxation and capital market related laws or as regards any legal implications or issues arising from such proposed Amalgamation.
- 4.9 This report has been prepared for the Board of Directors of ACET and IAT, solely for the purpose of recommending the share entitlement ratio for the Amalgamation as stated in para 1 to the Report.
- 4.10 Any person/party, intending to provide finance/invest in the shares/business of the Companies or for any other reason whatsoever, shall do so after seeking their own professional advice and after carrying out their own due diligence procedures to ensure that they are making an informed decision.
- 4.11 It is to be noted that any reproduction, copying or otherwise quoting of this report or any part thereof, other than in connection with the proposed amalgamation as aforesaid, can be done only with the prior written permission of the Valuers.
- 4.12 SSPA & RCO, nor their partners, managers, employees makes any representation or warranty, express or implied, as to the accuracy, reasonableness or completeness of the information, based on which the valuation is carried out. All such parties expressly disclaim any and all liability for, or based on or relating to any such information contained in the valuation.
- 4.13 Final responsibility for the acceptance of the share exchange ratio will be with the Board of Directors of Companies who should take into account other factors such as their own assessment of the proposed Amalgamation and inputs of other advisors.
- 4.14 This Report does not look into the business/commercial reasons behind the Amalgamation nor the likely benefits arising out of the same. Similarly, it does not address the relative merits of the Amalgamation as compared with any other alternative business transaction, or other alternatives, or whether or not such alternatives could be achieved



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Page 5 of 9



or are available.

4.15 The fee for the engagement is not contingent upon the results reported.

## 5. VALUATION APPROACH

5.1 For the purpose of valuation for amalgamation, generally the following approaches are adopted:

- (a) the "Underlying Asset" approach
- (b) the "Income" approach; and
- (c) the "Market" approach

### 5.2 UNDERLYING ASSET APPROACH

The equity shares of ACET, IAT and ACAT have been valued using the "Underlying Asset" Approach.

5.2.1 In case of the "Underlying Asset" approach, the value is determined by dividing the net assets of a company/business based on the estimated balance sheet as on the Appointed Date by the number of shares.

5.2.2 Valuation of net assets is calculated with reference to the historical cost of the assets owned by the company. Such value usually represents the minimum value or a support value of a going concern.

5.2.3 Since the shares are valued on a "going concern" basis and an actual realization of the operating assets is not contemplated, we have considered it appropriate not to determine the realizable or replacement value of the assets. The operating assets have therefore been considered at their book values.

5.2.4 In arriving at the Net Asset Value, we have made appropriate adjustments for appreciation/diminution in value of investments, contingent liabilities and other adjustments after considering the tax impact wherever applicable.

5.2.5 The underlying net assets value as arrived above is divided by the outstanding number of equity shares to arrive at the value per share.

### 5.3 INCOME APPROACH

Under the "Income" approach, the equity shares of ACET and the equity shares of ACAT have been valued using Discounted Cash Flow ("DCF") Method.



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Page 6 of 9





- 5.3.1 Under the DCF method the projected free cash flows from business operations after considering fund requirements for projected capital expenditure and incremental working capital are discounted at the Weighted Average Cost of Capital (WACC). The sum of the discounted value of such free cash flows and discounted value of perpetuity is the value of the business.
- 5.3.2 The free cash flows represent the cash available for distribution to both the owners and the creditors of the business. The free cash flows are determined by adding back to profit before tax, (i) depreciation and amortizations (non-cash charge), (ii) interest on loans, if any and (iii) any non-operating item. The cash flow is adjusted for outflows on account of capital expenditure, tax and change in working capital requirements.
- 5.3.3 WACC is considered as the most appropriate discount rate in the DCF Method, since it reflects both the business and the financial risk of the company. In other words, WACC is the weighted average of the company's cost of equity and debt. Considering an appropriate mix between debt and equity, we have arrived at the WACC to be used for discounting the Free Cash Flows of ACET and ACAT.
- 5.3.4 Appropriate adjustments have been made for loan funds, cash and cash equivalents, value of investment, contingent liabilities and other adjustments after considering the tax impact wherever applicable to arrive at the Equity value.
- 5.3.5 The equity value as arrived above is divided by the outstanding number of equity shares to arrive at the value per share.

#### 5.4 MARKET APPROACH

The market price of an equity share as quoted on a stock exchange is normally considered as the fair value of the equity shares of that company where such quotations are arising from the shares being regularly and freely traded in, subject to the element of speculative support that may be inbuilt in the value of the shares.

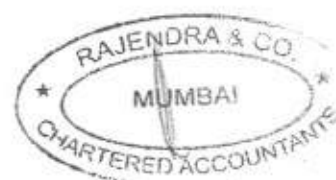
Since the equity shares of IAT and ACAT are not listed on any recognized stock exchanges, 'Market' approach has not been considered for current valuation exercise.

#### 6. RECOMMENDATION OF FAIR EQUITY SHARE EXCHANGE RATIO

- 6.1 The fair basis of amalgamation of IAT with ACET would have to be determined after taking into consideration all the factors and methodologies mentioned hereinabove. Though



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different values have been arrived at under each of the above approaches, for the purposes of recommending a ratio of exchange it is necessary to arrive at a single value for the shares of the Companies. It is however important to note that in doing so, we are not attempting to arrive at the absolute values of the shares of each company. Our exercise is to work out relative value of shares of the Companies to facilitate the determination of a ratio of exchange. For this purpose, it is necessary to give appropriate weightage to the values arrived at under each approach.

- 6.2 As mentioned earlier IAT has no activity other than investment whereas ACET is an operating company. Considering this, we have given weight only to "underlying asset" approach in case of IAT. Further considering that after the amalgamation, the business of ACET is intended to be continued on a "going concern" basis and that there is no intention to dispose-off the assets, we have considered it appropriate to give a higher weightage of "4" to the value determined under the 'income' approach as compared to the weightage of "1" to the value determined under the 'underlying asset' approach to arrive at relative value of shares of ACET.
- 6.3 The value of IAT is entirely drawn from the value of ACAT. While arriving at the value of ACAT, we have thought fit to apply higher weightage of "4" to the value determined under 'income' approach and a lower weightage of "1" to the value determined under the 'underlying asset' approach.
- 6.4 Since shares of IAT are not listed on any stock exchange, we have also applied illiquidity discount to arrive at value of IAT.
- 6.5 The share exchange ratio has been arrived on the basis of a relative valuation of the shares of the Companies based on the approaches explained herein earlier and various qualitative factors relevant to each company and the business dynamics and growth potential of the businesses of the companies, having regard to information base, management representations and perceptions, key underlying assumptions and limitations.
- 6.6 In the ultimate analysis, valuation will have to involve the exercise of judicious discretion and judgment taking into account all the relevant factors. There will always be several factors, e.g. present and prospective competition, yield on comparable securities and market sentiments, etc. which are not evident from the face of the balance sheets but



which will strongly influence the worth of a share. This concept is also recognized in judicial decisions. For example, Viscount Simon Bd in Gold Coast Selection Trust Ltd. vs. Humphrey reported in 30 TC 209 (House of Lords) and quoted with approval by the Supreme Court of India in the case reported in 176 ITR 417 as under:

*'If the asset takes the form of fully paid shares, the valuation will take into account not only the terms of the agreement but a number of other factors, such as prospective yield, marketability, the general outlook for the type of business of the company which has allotted the shares, the result of a contemporary prospectus offering similar shares for subscription, the capital position of the company, so forth. There may also be an element of value in the fact that the holding of the shares gives control of the company. If the asset is difficult to value, but is nonetheless of a money value, the best valuation possible must be made. Valuation is an art, not an exact science. Mathematical certainty is not demanded, nor indeed is it possible.'*

- 6.7 Valuers have independently carried out valuation of companies and have agreed to issue this Report jointly.
- 6.8 In the light of the above and on consideration of all the relevant factors and circumstances as discussed and outlined hereinabove earlier in this report, in our opinion, a fair equity share exchange ratio in the event of amalgamation of IAT into ACET would be:

**10 (Ten) equity shares of ACET of INR 5/- each fully paid for every 45 (Forty Five) equity shares of IAT of INR 10/- each fully paid.**

Thank you,  
Sincerely,

SSPA & Co.



SSPA & Co.,  
Chartered Accountants  
Firm Registration No: 128851W

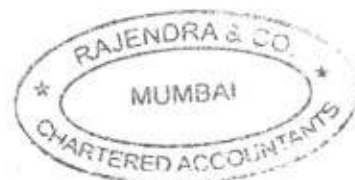
Place: Mumbai



Rajendra & Co.

Rajendra & Co.,  
Chartered Accountants  
Firm Registration No: 108355W

Place: Mumbai





**AXISCADES**  
Inspired Solutions. By Design

Report of the Audit Committee of the Board of Directors of AXISCADES ENGINEERING TECHNOLOGIES Limited (ACET) Recommending the Draft Scheme of Amalgamation of IAT with ACET, dated 14<sup>th</sup> August 2015

**Members:**

Mr. Kailash M. Rustagi :	Independent Director (Chairman)
Dr. Vivek Mansingh :	Independent Director
Mr. Pradeep Dadlani :	Independent Director
Mr. Srinath Batni :	Independent Director
Mr. Kedarnath Choudhury :	Non-Executive Director

**In Attendance - ALL except Mr. Kedarnath Choudhury who being interested director did not participate in the matter.**

**1. Background**

1.1. A draft Scheme of Amalgamation ('Scheme') of IAT with AXISCADES ENGINEERING TECHNOLOGIES Limited ( Company') has been placed before the Audit Committee by the Management for recommendation of the aforesaid draft scheme by the Audit Committee to the Board of Directors of the Company in accordance with the requirement of SEBI Circular No CIR / CFD / DIL/ 5/2013 dated 4<sup>th</sup> February 2013 read with SEBI Circular dated 21<sup>st</sup> May 2013 ('Circular')

1.2. In view of the above, members of the Audit Committee of the Company have discussed and approved the draft Scheme vide a resolution passed at its meeting held on 14<sup>th</sup> August 2015 and have made this report, after perusing the following documents:

- (a) Draft Scheme of Amalgamation
- (b) Valuation Report dated 12<sup>th</sup> August, 2015, issued by SSPA & Co, Chartered Accountants
- (c) Valuation Report dated 12<sup>th</sup> August, 2015, issued by Rajendra & Co., Chartered Accountants
- (d) Fairness Opinion report dated 12<sup>th</sup> August, 2015, issued by Fortress Capital Management Services Pvt. Ltd.
- (e) A Certificate issued by M/s Walker Chandiok & Co LLP., the statutory auditors of the Company dated 28.08.15 to the effect that the accounting treatment contained in the Scheme is in compliance with all Accounting Standards

*Shweta Agrawal*

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AXISCADES Engineering Technologies Ltd.

*Shweta Agrawal*

SHWETA AGRAWAL  
Company Secretary

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

CIN No. - L72200DL1990 PLC 041275

D-30, Sector - 3, Noida - 201 301, Uttar Pradesh INDIA Ph: +91 120 451 8200 / 8300 Fax: +91 120 244 2921

Reg. Office : A-264, 2nd Floor, Defence Colony New Delhi - 110 024 | Email: info@axiscades.com | www.axiscades.com

This report of the Audit Committee is issued in term of the Circular.

1.3. The salient features of the draft Scheme are, inter-alia as under:

- (a) The draft Scheme provides for the amalgamation of IAT with the Company
- (b) The appointed date for the amalgamation of IAT with the Company is fixed as 1<sup>st</sup> April 2016
- (c) The draft Scheme provides for transfer and vesting of the entire undertaking of IAT with its assets and liabilities to the Company as a going concern.
- (d) In consideration for the amalgamation of IAT with the Company in terms of the draft scheme and based on the share swap ratio recommended by the Independent Chartered Accountant and fairness opinion recommended by the Merchant Banker, the Company will issue 1,05,69,940 fully paid up equity shares of Rs 5/- (Rupees Five only) each of the Company to the equity shareholders of IAT, whose name is registered in the Register of Members of IAT on the Record Date as determined in terms of the Scheme for every 45 fully paid up equity shares of Rs 10/- each of IAT held by equity shareholders of IAT.
- (e) The new equity shares of the Company, issued pursuant to this Scheme shall be listed and or admitted to trading on BSE and NSE where the equity shares of the Company are listed and or admitted to trading.
- (f) Upon the Scheme coming into effect, IAT will be dissolved without being wound up.

## 2. Recommendation of the Audit Committee

The Audit Committee has considered and noted the aforementioned documents and recommends the Draft Scheme to the Board of Directors of the Company for their approval, inter-alia into consideration the said valuation report dated 12<sup>th</sup> August, 2015, issued by SSPA & Co & Rajendra & Co, Chartered Accountants and the Fairness Opinion Report dated 12<sup>th</sup> August, 2015, issued by Fortress Capital Management Services Pvt. Ltd.

For AXISCADES Engineering Technologies Limited



Mr. Kailash Rustagi  
Chairman of Audit Committee

Date: 28.08.2015

Place: Delhi

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August 12, 2015

The Board of Directors,  
 AXISCADES Engineering Technologies Limited  
 A 264 Defence Colony, 2<sup>nd</sup> Floor,  
 New Delhi – 110 024

The Board of Directors,  
 India Aviation Training Institute Private Limited  
 Jupiter Innovision Centre, No. 54,  
 Richmond Road, Bangalore – 560 025

**Sub: Fairness Opinion in connection with the proposed amalgamation of India Aviation Training Institute Private Limited into AXISCADES Engineering Technologies Limited**

Dear Sir(s),

We refer to our discussion wherein the Management of AXISCADES Engineering Technologies Limited (hereinafter referred to as "ACET") and India Aviation Training Institute Private Limited (hereinafter referred to as "IAT"), has requested Fortress Capital Management Services Private Limited ('Us') to give a fairness opinion on the joint valuation carried out by SSPA & Co., Chartered Accountants (hereinafter referred to as "SSPA") and Rajendra & Co., Chartered Accountants (hereinafter referred to as "RCO") in connection with the proposed amalgamation of IAT and ACET.

**A. BACKGROUND, SCOPE AND PURPOSE OF THIS REPORT****1. AXISCADES ENGINEERING TECHNOLOGIES LIMITED**

1.1 AXISCADES Engineering Technologies Limited (formerly known as Axis IT&T Limited) is Engineering Design solutions provider, catering to the futuristic needs of Aerospace, Heavy Engineering, Automotive and Industrial Production sectors.

1.2 ACET provides Engineering Design Solutions across lifecycle of the product starting from product design, system engineering, manufacturing to product support.



Page 1 of 7

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 AXISCADES Engineering Technologies Ltd.

*Shweta Agrawal*  
 SHWETA AGRAWAL  
 Company Secretary

CIN : U67120MH2004PTC145815

**FORTRESS CAPITAL MANAGEMENT SERVICES PVT. LTD.**

Daryanagar House, 2nd Floor, 69, Maharshi Karve Road, Marine Lines, Mumbai - 400 002, INDIA

Tel : +91 (22) 2700 7973 / 74 / 75 / 76 • Fax : +91 (22) 2703 1409 • E-mail : fortress@fortress.co.in • Website : www.fortress.co.in

1.3 ACET has been formed through the merger of two entities – Axis-IT&T (Engineering services for Heavy Engineering and Industrial Products) and CADES Digitech (Engineering services for Aerospace and Automotive domains) – to leverage on their processes, technology and customer relationships. ACET has offices worldwide including North America, Europe and Asia.

1.4 Shares of ACET are listed on BSE Limited ('BSE') and National Stock Exchange of India Limited ('NSE').

## 2. INDIA AVIATION TRAINING INSTITUTE PRIVATE LIMITED

2.1 IAT was established for providing aviation related training solutions.. Currently IAT does not have any business operations.

2.2 In FY 2015-16, IAT has acquired 100% stake in AXISCADES Aerospace & Technologies Private Limited (hereinafter referred to as "ACAT").

2.3 ACAT (formerly known as Axis Aerospace & Technologies Limited and erstwhile known as Jupiter Strategic Technologies Private Limited) was setup in the year 2001. ACAT is a Premier Technology Company in the high-end Strategic Technologies space with a proven track record. It Has built outstanding capabilities in System integration and Design & Development of solutions and platforms in the areas of Automatic Test Equipment & Test solutions, Software & Simulation Avionics, Electronic warfare systems and Military-Paramilitary training solutions amongst others.

2.4 ACAT's focus is mainly on Systems Integration for Electronic Warfare, Communications, Surveillance and Access Control, Radar and Avionics, Command and Control.

2.5 ACAT also hold investment in AXISCADES Aerospace Infrastructure Private Limited,



herein after referred to as ACAIPL (formerly known as "Jupiter Aviation Services Private Limited") (hereinafter referred to as "JAS"). Currently ACAIPL does not have any business operations. Further ACAI owns 100% of Enertech controls, which owns property in Electronics city, Bangalore.

- 3 We have been informed that Management is considering a proposal for amalgamation of IAT and ACET with effect from appointed date.
- 4 We have been informed by the Management that ACET intends to discharge the consideration for amalgamation through issue of equity shares of ACET of INR 5 each fully paid up to the equity share holders of IAT.
- 5 Accordingly, ACET has appointed SSPA and RCO, Joint Valuers to undertaken valuation exercise of equity shares of ACET and IAT to recommend share exchange ratio for the proposed amalgamation of IAT into ACET.
- 6 Further, ACET has appointed us to give a fairness opinion on Joint Valuation Report issued by Joint Valuers and scheme of amalgamation in connection with the proposed amalgamation.
- 7 The information contained in our report herein is confidential. It is intended only for the sole use of captioned purpose including for obtaining the requisite statutory approvals.

#### B. SOURCES OF INFORMATION

For the purposes of our valuation exercise, we have relied upon the following sources of information as provided to us by the management of the Companies:

- (a) Audited financial statements of ACET and ACAT for the year ended March 31, 2015

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- (b) Audited financial statements IAT and ACAIPL for the year ended March 31, 2015.
- (c) Management certified estimated Balance Sheet and Profit and Loss Statement of ACET, IAT, ACAT and JAS for the year ended March 31, 2016
- (d) Financial Projections of ACET and ACAT for FY 2016-17 to FY 2019-20
- (e) Draft Scheme of Arrangement
- (f) Joint Valuation Report of SSPA and RCO dated August 12, 2015
- (g) Discussions with the Management on various issues relevant for the valuation including the prospects and outlook for the industry, expected growth rate and other relevant information relating to future expected profitability of the business, etc
- (h) Other relevant details regarding the Companies such as their history, past and present activities, future plans and prospects, existing shareholding pattern and other relevant information and data, including information in the public domain
- (i) Such other information and explanations as we have required and which have been provided by the Management

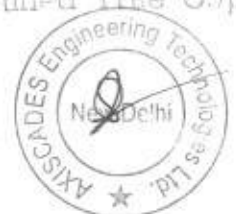
### C. EXCLUSIONS AND LIMITATIONS

- 1 Our conclusion is based on the information furnished to us being complete and accurate in all material respects. We have relied upon the historical financials and the information and representations furnished to us without carrying out any audit or other tests to verify its accuracy with limited independent appraisal.
- 2 We have not conducted any independent valuation or appraisal of any of the assets or liabilities of the companies.
- 3 Our work does not constitute verification of historical financials or including the working results of the Companies referred to in this report. Accordingly, we are unable to and do not express an opinion on the fairness or accuracy of any financial information referred to in this report.

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- 4 Our opinion is not intended to and does not constitute a recommendation to any shareholders as to how such shareholder should vote or act in connection with the Scheme or any matter related therein.
- 5 Our liability (statutory or otherwise) for any economic loss or damage arising out of the rendering this Opinion shall be limited to amount of fees received for rendering this Opinion as per our engagement with ACET.
- 6 Our opinion is not, nor should it be construed as our opining or certifying the compliance of the proposed amalgamation with the provisions of any law including companies, taxation and capital market related laws or as regards any legal implications or issues arising thereon.
- 7 We assume no responsibility for updating or revising our opinion based on circumstances or events occurring after the date hereof.
- 8 We do not express any opinion as to the price at which shares of the Resulting Company may trade at any time, including subsequent to the date of this opinion.
- 9 Any person/party intending to provide finance/invest in the shares/businesses of any of the Companies, shall do so, after seeking their own professional advice and after carrying out their own due diligence procedures to ensure that they are making an informed decision. It is to be noted that any reproduction, copying or otherwise quoting of this report or any part thereof, other than in connection with the proposed amalgamation as aforesaid, can be done only with our prior permission in writing.



- 10 This certificate has been issued for the sole purpose to facilitate the Company to comply with clause 24(f) and 24(h) of the Listing Agreement and SEBI Circular No CIR/CFD/DIL/5/2013 dated 4 February 2013 and CIR/CFD/DIL/8/2013 dated 21 May 2013 and it shall not be valid for any other purpose.
- 11 Fortress Capital Management Services Private Limited, nor its directors, managers, employees or agents of any of them, makes any representation or warranty, express or implied, as to the accuracy, reasonableness or completeness of the information, based on which the fairness opinion is given. All such parties expressly disclaim any and all liability for, or based on or relating to any such information contained in the opinion.

**D. VALUATION APPROACH**

For the purposes of valuation, the Valuers have adopted the Net Assets Method under "Underlying Assets" Approach and Discounted Cash Flow method under "Income" Approach for determining the fair value per share of ACET and ACAT and Net Assets Method under "Underlying Assets" Approach for determining the fair value per share of IAT and arrived at the exchange ratio of shares for proposed amalgamation of IAT and ACET.

**E. CONCLUSION**

- 1 We have reviewed the Scheme of Amalgamation and methodology as mentioned above used by the Valuers for arriving at the valuation of the equity shares of the Companies and also reviewed the working and underlying assumptions adopted to arrive at the values under each of the above approaches, for the purposes of recommending exchange ratio for Shares.

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- 2 On the basis of the foregoing and based on the information and explanation provided to us, in our opinion, the proposed amalgamation and share exchange ratio of 10 (Ten) equity shares of ACET of INR 5/- each fully paid for every 45 (Forty Five) equity shares of IAT of INR 10/- each fully paid.

Thanking you,

Yours faithfully,

For Fortress Capital Management Services Pvt. Ltd.

  
Authorized Signatory



Place: Mumbai

SEBI Registration No.: INM000011146

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**Annexure - 6**

**The pre and post amalgamation shareholding pattern of  
AXISCADES Engineering Technologies Limited**

Sl.no	Category	Pre-Amalgamation (As on 30.06.2015)		Post-Amalgamation	
		No. of shares held	% of holding	No. of shares held	% of holding
<b>A</b>	<b>Promoter and Promoter Group:</b>				
1	Indian -				
	Individual	-	-	-	-
	Bodies Corporate	1,60,74,514	59.12	2,66,44,451	70.56
	<b>Sub Total</b>				
2	Foreign Promoters	-	-	-	-
	<b>Sub Total(A)</b>	1,60,74,514	59.12	2,66,44,451	70.56
<b>B</b>	<b>Public:</b>				
1	Institutional Investors	5,96,520	2.19	5,96,520	1.58
2	Non-Institution:				
	Bodies Corporate	30,80,619	11.33	30,80,619	8.16
	Directors and Relatives	-	-	-	-

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

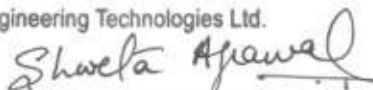
CIN No.: L72200DL1990 PLC 041275

D-30, Sector - 3, Noida - 201 301, Uttar Pradesh INDIA Ph: +91 120 451 8200 / 8300 Fax: +91 120 244 2921  
 Reg. Office : A-264, 2nd Floor, Defence Colony New Delhi - 110 024 | Email: info@axiscades.com | www.axiscades.com



	Indian Public	71,28,039	26.22	71,28,039	18.88
	Others (Including NRIs)	3,09,901	1.14	3,09,901	0.82
	<b>Sub Total(B)</b>	1,11,15,079	40.88	1,11,15,079	29.44
	<b>GRAND TOTAL (A + B)</b>	2,71,89,593	100	3,77,59,530	100

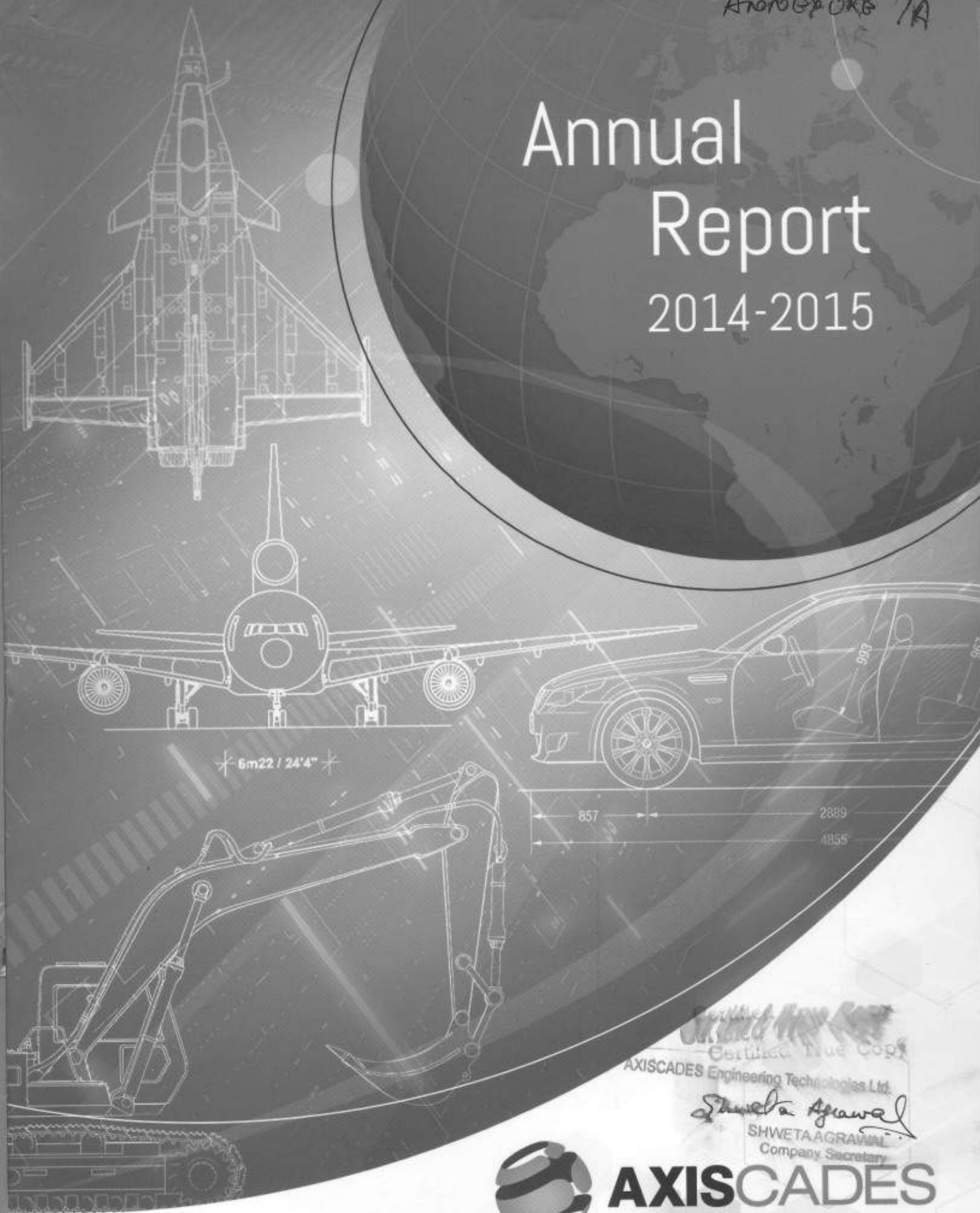
AXISCADES Engineering Technologies Ltd.



SHWETA AGRAWAL  
Company Secretary

ANON@PUB 7A

# Annual Report 2014-2015



*Shweta Agrawal*  
SHWETA AGRAWAL  
Company Secretary



**AXISCADES**

Inspired Solutions. By Design

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



## Standalone Balance Sheet



	NOTE	As at 31 March 2015 ₹	As at 31 March 2014 ₹
<b>EQUITY AND LIABILITIES</b>			
<b>SHAREHOLDERS' FUNDS</b>			
Share capital	4	13,61,01,265	9,99,55,705
Reserves and surplus	5	74,47,63,767	63,48,28,975
		<u>88,08,65,032</u>	<u>73,47,84,680</u>
Shares pending allotment	2	-	3,61,45,560
<b>NON-CURRENT LIABILITIES</b>			
Long-term borrowings	6	95,00,000	8,27,07,895
Long-term provisions	7	3,46,80,644	2,63,23,938
		<u>4,41,80,644</u>	<u>10,90,31,833</u>
<b>CURRENT LIABILITIES</b>			
Short-term borrowings	6	24,58,73,701	18,66,53,278
Trade payables	9	10,82,69,798	15,36,03,580
Other current liabilities	10	11,21,11,446	16,77,85,201
Short-term provisions	7	26,26,220	28,80,478
		<u>46,88,81,165</u>	<u>51,09,22,537</u>
<b>TOTAL</b>		<u>1,39,39,26,841</u>	<u>1,39,08,84,610</u>
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
Fixed assets			
Tangible assets	11	4,65,74,863	5,04,06,513
Intangible assets	12	18,20,31,457	7,65,51,648
Intangible assets under development	13	-	14,13,49,987
Non-current investments	14	22,51,50,526	23,25,64,184
Deferred tax assets, net	16	2,23,28,798	3,25,44,254
Long-term loans and advances	17	13,09,99,848	18,06,27,528
Other non-current assets	18	50,05,000	3,31,075
		<u>61,20,90,492</u>	<u>71,43,75,189</u>
<b>CURRENT ASSETS</b>			
Trade receivables	15	38,51,99,625	43,42,28,565
Cash and bank balances	19	10,72,93,981	5,92,72,034
Short-term loans and advances	17	4,77,10,800	5,51,11,452
Other current assets	18	24,16,31,943	12,78,97,370
		<u>78,18,36,349</u>	<u>67,65,09,421</u>
<b>TOTAL</b>		<u>1,39,39,26,841</u>	<u>1,39,08,84,610</u>

Summary of significant accounting policies and other explanatory information.

1-39

Notes forms an integral part of these financial statements.

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

For Walker Chandiook & Co LLP  
(formerly Walker, Chandiook & Co)  
Chartered Accountants

For and on behalf of the Board of Directors

-sd-  
Valmeekanathan S.  
CEO and Director

-sd-  
Kedarnath Choudhury  
Director

**Certified True Copy**

-sd-  
per Aasheesh Arjun Singh  
Partner

New Delhi  
18 May 2015

AXISCADES Engineering Technologies Ltd.

*Shweta Agrawal*  
SHWETA AGRAWAL  
Company Secretary

-sd-  
Kaushik Sarkar  
CFO and Director

New Delhi  
18 May 2015

-sd-  
Shweta Agrawal  
Company Secretary

New Delhi  
18 May 2015



# Annual Report 2014-2015

## Standalone Profit & Loss



	NOTE	Year ended 31 March 2015 ₹	Year ended 31 March 2014 ₹
<b>INCOME</b>			
Revenue from operations	20	1,88,44,75,623	1,81,08,89,333
Other income	21	1,12,36,294	2,04,27,093
<b>TOTAL</b>		<b>1,89,57,11,917</b>	<b>1,83,13,16,426</b>
<b>EXPENSES</b>			
Employee benefits expense	22	1,04,51,99,577	1,00,45,65,540
Other expenses	23	54,52,49,721	61,50,64,374
<b>TOTAL</b>		<b>1,59,04,49,298</b>	<b>1,61,96,29,914</b>
<b>EARNINGS BEFORE INTEREST, TAX, DEPRECIATION AND AMORTISATION (EBITDA)</b>		<b>30,52,62,619</b>	<b>21,16,86,512</b>
Depreciation and amortisation expense	24	8,04,35,987	7,04,02,162
Finance costs	25	2,30,28,814	3,44,40,775
<b>PROFIT BEFORE EXCEPTIONAL ITEMS AND TAX</b>		<b>20,17,97,818</b>	<b>10,68,43,575</b>
Exceptional Items	26	2,97,08,236	35,00,000
<b>PROFIT BEFORE TAX</b>		<b>17,20,89,582</b>	<b>10,33,43,575</b>
Tax expense:			
- Current tax		4,86,36,780	3,63,59,779
- Reversal of excess tax provision of prior year		-	(2,04,56,230)
- Deferred tax expense		1,02,15,456	1,69,15,085
- Minimum alternate tax credit of prior year		-	(1,15,08,959)
<b>NET PROFIT FOR THE YEAR</b>		<b>11,32,37,346</b>	<b>8,20,33,900</b>
<b>Earnings per equity share:</b>	27		
-Basic		4.49	4.11
-Diluted		4.49	3.02
Nominal value per share		5.00	5.00

Summary of significant accounting policies and other explanatory information.

Notes forms 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 Chandio & Co LLP  
(formerly Walker, Chandio & Co)  
Chartered Accountants

-sd-  
per Aasheesh Arjun Singh  
Partner

New Delhi  
18 May 2015

For and on behalf of the Board of Directors

-sd-  
Valmeekanathan S.  
CEO and Director

-sd-  
Kaushik Sarkar  
CFO and Director

New Delhi  
18 May 2015

-sd-  
Kedarnath Choudhury  
Director

-sd-  
Shweta Agrawal  
Company Secretary

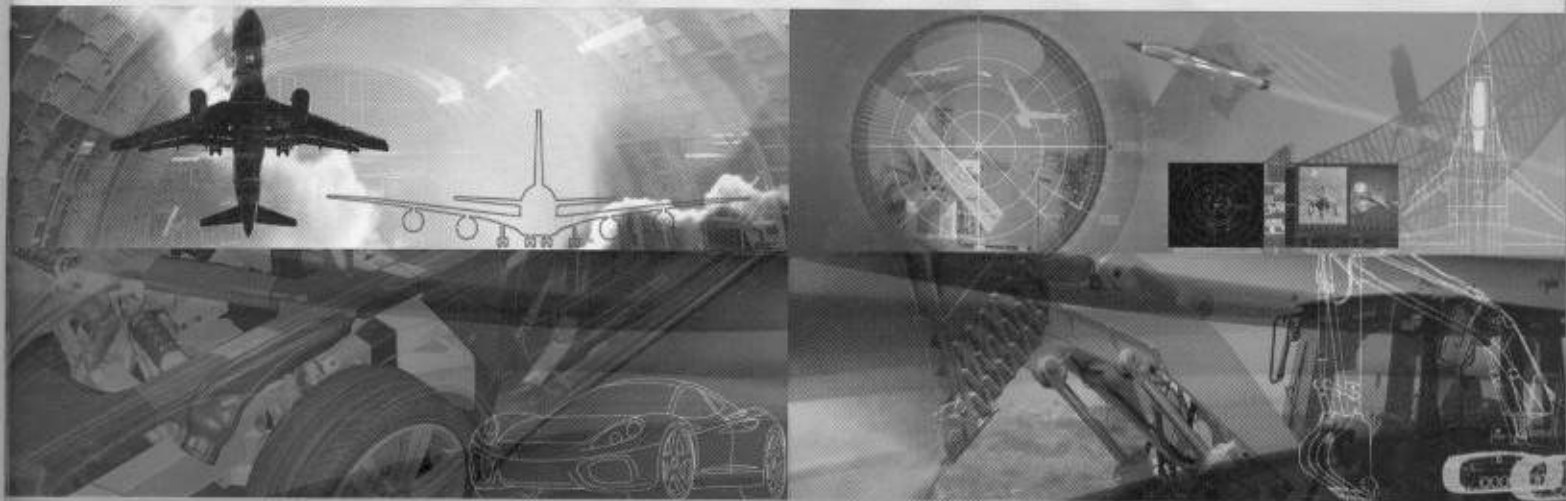
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AXISCADES Engineering Technologies Ltd.

Shweta Agrawal  
SHWETA AGRAWAL  
Company Secretary



# AXISCADES

Inspired Solutions. By Design



## ANNUAL REPORT 2013-14

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

## CONTENTS

Notice	3
Directors' Report	14
Directors' Responsibility Statement	19
Statement of Interest in Subsidiaries	20
Report on Corporate Governance	21
Management Discussion and Analysis of Financials	32
Risk Management	33
Auditors Certificate on Corporate Governance	36
Auditors' Report	37
Balance Sheet	41
Profit & Loss Account	42
Cash Flow Statement	43
Notes to Financial Statement	44
Consolidated Financial Statement	68
Attendance Slip	
Proxy Form	

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AXISCADES Engineering Technologies Ltd.

*Shweta Agrawal*

SHWETA AGRAWAL  
Company Secretary

**Balance Sheet**

	NOTE	As at 31 March 2014 ₹	As at 31 March 2013 ₹
<b>EQUITY AND LIABILITIES</b>			
<b>SHAREHOLDERS' FUNDS</b>			
Share capital	4	99,955,705	99,955,705
Reserves and surplus	5	634,828,975	306,601,712
		<b>734,784,680</b>	<b>406,557,417</b>
<b>SHARES PENDING ALLOTMENT</b>	2	36,145,560	-
<b>NON-CURRENT LIABILITIES</b>			
Long-term borrowings	6	82,707,895	-
Long-term provisions	7	26,323,938	11,203,252
		<b>109,031,833</b>	<b>11,203,252</b>
<b>CURRENT LIABILITIES</b>			
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
		<b>510,922,537</b>	<b>107,471,607</b>
<b>TOTAL</b>		<b>1,390,884,610</b>	<b>525,232,276</b>
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
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
		<b>717,349,081</b>	<b>401,491,874</b>
<b>CURRENT ASSETS</b>			
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
		<b>673,535,529</b>	<b>123,740,402</b>
<b>TOTAL</b>		<b>1,390,884,610</b>	<b>525,232,276</b>

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 Chandiook & Co LLP**  
(formerly Walker, Chandiook & 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

Certified True Copy  
AXISCADES Engineering Technologies Ltd.

*Shweta Agrawal*  
**SHWETA AGRAWAL**  
Company Secretary

Sd/-  
**Shweta Agrawal**  
Company Secretary

New Delhi  
30 May 2014

**Statement of Profit and Loss**

	NOTE	Year ended 31 March 2014	Year ended 31 March 2013
		₹	₹
<b>INCOME</b>			
Revenue from operations	20	1,810,889,333	545,423,113
Other income	21	20,427,093	2,319,113
<b>TOTAL</b>		<b>1,831,316,426</b>	<b>547,743,226</b>
<b>EXPENSES</b>			
Employee benefits expense	22	1,022,028,988	260,113,113
Other expenses	23	601,100,926	155,387,113
<b>TOTAL</b>		<b>1,623,129,914</b>	<b>415,500,226</b>
<b>EARNINGS BEFORE INTEREST, TAX, DEPRECIATION AND AMORTISATION (EBITDA)</b>		<b>208,186,512</b>	<b>132,242,226</b>
Depreciation and amortisation expense	24	70,402,162	23,932,453
Finance costs	25	34,440,775	11,161,833
<b>PROFIT BEFORE TAX</b>		<b>103,343,575</b>	<b>97,147,933</b>
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)	-
<b>NET PROFIT FOR THE YEAR</b>		<b>82,033,900</b>	<b>74,017,796</b>
<b>Earnings per equity share:</b>	26		
- Basic		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 Chandio & Co LLP**  
(formerly Walker, Chandio & Co)  
Chartered Accountants

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

Sd/-  
**Kedar Nath Choudhury**  
Director

Sd/-  
**Valmeekeanathan S.**  
Director & CEO

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

Sd/-  
**Shweta Agrawal**  
Company Secretary

New Delhi  
30 May 2014

New Delhi  
30 May 2014

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AXISCADES Engineering Technologies Ltd.  
*Shweta Agrawal*  
SHWETA AGRAWAL  
Company Secretary

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

Great performance.



ANNUAL REPORT 2012-2013  
AXIS-IT&T LIMITED



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



STATEMENT OF PROFIT AND LOSS

	NOTE	Year ended 31 March 2013 ₹	Year ended 31 March 2012 ₹
<b>INCOME</b>			
Revenue from operations	17	545,423,767	471,800,695
Other income	18	2,319,402	10,442,592
<b>TOTAL</b>		<b>547,743,169</b>	<b>482,243,287</b>
<b>EXPENSES</b>			
Employee benefits expense	19	260,113,201	240,888,602
Other expenses	20	153,523,748	134,180,958
<b>TOTAL</b>		<b>413,636,949</b>	<b>375,069,560</b>
<b>EARNINGS BEFORE INTEREST, TAX, DEPRECIATION AND AMORTISATION (EBITDA)</b>		<b>134,106,220</b>	<b>107,173,727</b>
Depreciation and amortisation expense	21	23,932,451	12,709,575
Finance costs	22	13,025,834	18,393,362
<b>PROFIT BEFORE TAX</b>		<b>97,147,935</b>	<b>76,070,790</b>
Tax expense:			
— Current tax		33,904,448	15,220,053
— Deferred tax credit		(10,774,309)	(426,401)
— Minimum alternate tax credit		—	(14,582,196)
<b>PROFIT FOR THE YEAR</b>		<b>74,017,796</b>	<b>75,859,334</b>
<b>Earnings per equity share:</b>	<b>23</b>		
Basic and diluted (Par value of ₹ 5)		3.71	3.80

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

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

For Walker, Chandio & Co  
Chartered Accountants

-Sd-  
per Aasheesh Arjun Singh  
Partner

New Delhi  
30 May 2013

For and on behalf of the Board of Directors

-Sd- -Sd-  
P. Hemanth Polavaram Kedar Nath Choudhury  
Director Director

-Sd-  
Shweta Agrawal  
Company Secretary

New Delhi  
30 May 2013

Certified True Copy  
AXISCADES Engineering Technologies Ltd.

*Shweta Agrawal*  
SHWETA AGRAWAL  
Company Secretary



**INDIA AVIATION TRAINING INSTITUTE  
PRIVATE LIMITED  
FINANCIALS 2014-15**

**Certified True Copy**

For India Aviation Training Institute Pvt. Ltd.

  
Authorized Signatories

**Balance Sheet**

	Note	As at 31st March 2015 ₹	As at 31st March 2014 ₹
<b>EQUITY AND LIABILITIES</b>			
<b>SHAREHOLDERS' FUNDS</b>			
Share capital	4	100,000	100,000
Reserves and surplus	5	(2,937,683)	(240,445)
		<u>(2,837,683)</u>	<u>(140,445)</u>
<b>NON-CURRENT LIABILITIES</b>			
Other long term liabilities	6	2,781,812	2,807,647
		<u>2,781,812</u>	<u>2,807,647</u>
<b>CURRENT LIABILITIES</b>			
Trade payables	7	55,871	44,635
		<u>55,871</u>	<u>44,635</u>
<b>TOTAL ASSETS</b>		<u>-</u>	<u>2,711,837</u>
<b>NON-CURRENT ASSETS</b>			
Fixed assets			
Capital work-in progress		-	2,711,837
		<u>-</u>	<u>2,711,837</u>
<b>CURRENT ASSETS</b>			
		-	-
		-	-
<b>TOTAL</b>		<u>-</u>	<u>2,711,837</u>

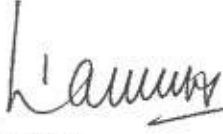
Summary of significant accounting policies and other explanatory information.

1-10

The notes referred to above form an integral part of the financial statements.

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

As per our report attached  
for T. Velupillai & Co.  
Chartered Accountants  
Firm's Registration Number : (004592S)


  
M S Ram  
Partner  
Membership Number: 026687




Bangalore  
Date: 06/06/2015

**Certified True Copy**

For India Aviation Training Institute Pvt. Ltd.

  
N.K. Vijaya Raghavan  
Director  
DIN: 05277512

  
G. Koteswar  
Director  
DIN: 07121503

**Statement of Profit and Loss**

**INCOME**

Other income

**TOTAL REVENUE**

**EXPENSES**

Other expenses

**EARNING BEFORE INTEREST, TAX, DEPRECIATION AND AMORTISATION (EBITDA)**

Finance Cost

Depreciation and Amortisation

**TOTAL EXPENSES**

**PROFIT BEFORE TAX**

Tax expense

(a) Current tax

(b) Deferred tax

**PROFIT/(LOSS) FOR THE PERIOD**

**Earnings/(Loss) per equity share:**

Basic & Diluted (Par value ₹ 10)

Note	Year Ended	Year Ended
	31st March 2015	31st March 2014
	₹	₹
8	25,835	-
	<u>25,835</u>	<u>-</u>
9	2,723,073	11,745
	<u>(2,697,238)</u>	<u>(11,745)</u>
	-	-
	-	-
	<u>2,723,073</u>	<u>11,745</u>
	<u>(2,697,238)</u>	<u>(11,745)</u>
	<u>(2,697,238)</u>	<u>(11,745)</u>
10	(269.72)	(1.17)

The notes referred to above form an integral part of the financial statements.  
This is the Statement of Profit & Loss referred to in our report of even date.

As per our report attached

for T. Velupillai & Co.

Chartered Accountants

Firm's Registration Number: (004592S)

*M S Ram*



M S Ram

Partner

Membership Number: 026687

Bangalore

Date: 06/06/2015

*N.K. Vijaya Raghavan*

N.K. Vijaya Raghavan

Director

DIN: 05277512

*G. Koteswar*

G. Koteswar

Director

DIN: 07121503

**Certified True Copy**

For India Aviation Training Institute Pvt. Ltd.


Authorized Signatories

**Cash Flow Statement**

	Year ended 31st March 2015 ₹	Year ended 31st March 2014 ₹
<b>A-CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net Profit/ (Loss) before taxation after prior period items	(2,697,238)	(11,745)
Adjustments to Reconcile profit before tax to cash provided by operating activities		
Depreciation/amortization	-	-
Interest income	-	-
Interest Paid	-	-
Profit from sale of investments	-	-
<b>Operating profit before working capital changes</b>	<b>(2,697,238)</b>	<b>(11,745)</b>
Movements in working capital		
(Increase)/Decrease in Sundry debtors	-	-
(Increase)/Decrease in Loans and advances	-	-
(Increase)/Decrease in Capital work in progress	2,711,837	-
Increase/(Decrease) in Trade payables	11,236	11,236
Increase/(Decrease) in Other long term liabilities	(25,835)	509
<b>Cash generated from operating activities</b>	<b>-</b>	<b>-</b>
Direct taxes paid	-	-
<b>Net Cash generated from Operating Activities</b>	<b>-</b>	<b>-</b>
<b>B-CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of fixed assets	-	-
Interest received	-	-
<b>Net Cash provided by/(used in) Investing Activities</b>	<b>-</b>	<b>-</b>
<b>C-CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds from share capital	-	-
Interest on Borrowings	-	-
Proceeds from short term borrowings-exchange gain	-	-
<b>Net Cash used in Financing Activities</b>	<b>-</b>	<b>-</b>
<b>NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>-</b>	<b>-</b>
<b>CASH AND CASH EQUIVALENTS AS AT BEGINNING OF THE YEAR</b>	<b>-</b>	<b>-</b>
<b>CASH AND CASH EQUIVALENT AT THE YEAR END</b>	<b>-</b>	<b>-</b>

The notes referred to above form an integral part of the financial statements.  
This is the Cash Flow Statement referred to in our report of even date.

As per our report attached  
for T. Velupillai & Co.  
Chartered Accountants  
Firm's Registration Number 004592S

  
M S Ram  
Partner  
Membership Number: 026687



  
N.K. Vijaya Raghavan  
Director  
DIN:05277512

  
G. Koteswar  
Director  
DIN:07121503

Bangalore  
Date:06/06/2015

For India Aviation Training Institute Pvt. Ltd.

Authorised Signatories

Certified True Copy

For India Aviation Training Institute Pvt. Ltd.  


**INDIA AVIATION TRAINING INSTITUTE  
PRIVATE LIMITED**

**FINANCIALS 2013-14**

For India Aviation Training Institute Pvt. Ltd.

  
Authorised Signatories

**Certified True Copy.**

**INDIA AVIATION TRAINING INSTITUTE PVT LTD**

CIN - U74999KA2007PTC043635


In ₹

Balance Sheet	Note	As at 31st March 2014	As at 31st March 2013
<b>EQUITY AND LIABILITIES</b>			
<b>SHAREHOLDERS' FUNDS</b>			
Share capital	3	1,00,000	1,00,000
Reserves and surplus	4	(2,40,445)	(2,28,700)
		(1,40,445)	(1,28,700)
Share application money pending allotment			
<b>NON-CURRENT LIABILITIES</b>			
Other long term liabilities	5	28,07,647	28,07,138
		28,07,647	28,07,138
<b>CURRENT LIABILITIES</b>			
Trade payables	6	44,635	33,399
		44,635	33,399
<b>TOTAL</b>		<b>27,11,837</b>	<b>27,11,837</b>
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
Fixed assets			
Capital work-in progress	2.6	27,11,837	27,11,837
		27,11,837	27,11,837
<b>CURRENT ASSETS</b>			
		-	-
		-	-
<b>TOTAL</b>		<b>27,11,837</b>	<b>27,11,837</b>
<b>COMMITMENTS OR CONTINGENCIES</b>	7	-	-
		-	-
<b>SIGNIFICANT ACCOUNTING POLICIES &amp; NOTES ON ACCOUNT</b>	1 & 2		

The notes referred to above form an integral part of the financial statements.  
This is the Balance Sheet referred to in our report of even date.

For India Aviation Training Institute Pvt. Ltd.


As per our report attached  
for T. Velupillai & Co.  
Chartered Accountants  
Firm's Registration Number : (004592S)


  
K.V Jose  
Partner  
Membership Number: (208207)



Authorised Signatories

Certified True Copy

  
N.K. Vijaya Raghavan  
Director

  
R. Karthikeyan  
Director

Bangalore  
Date: 28-08-2014

**INDIA AVIATION TRAINING INSTITUTE PVT LTD**

CIN - U74999KA2007PTC043635

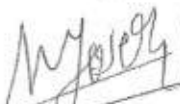
In ₹

Statement of Profit and Loss	Note	As at 31st March 2014	As at 31st March 2013
<b>REVENUE</b>			
Other income	8	-	2,219
<b>I.TOTAL REVENUE</b>		<u>-</u>	<u>2,219</u>
<b>EXPENSES</b>			
Other expenses	9	11,745	12,766
<b>II.TOTAL EXPENSES</b>		<u>11,745</u>	<u>12,766</u>
<b>III.PROFIT BEFORE EXCEPTIONAL &amp; EXTRAORDINARY ITEMS &amp; TAX(I-II)</b>		<u>(11,745)</u>	<u>(10,547)</u>
IV.Exceptional Items		-	-
<b>V.PROFIT BEFORE EXTRAORDINARY ITEMS &amp; TAX(III-IV)</b>		<u>(11,745)</u>	<u>(10,547)</u>
VI.Extra ordinary Items		-	-
<b>VII.PROFIT BEFORE TAX(V-VI)</b>		<u>(11,745)</u>	<u>(10,547)</u>
VIII.Tax expense			
(a)Current tax		-	-
(b)Deferred tax		-	-
<b>IX.PROFIT/(LOSS) FOR THE PERIOD FROM CONTINUING OPERATIONS(VII-VIII)</b>		<u>(11,745)</u>	<u>(10,547)</u>
X.PROFIT/(LOSS) FROM DISCONTINUING OPERATIONS		-	-
XI.Tax expense of discontinuing operations		-	-
<b>XII.PROFIT/(LOSS) FROM DISCONTINUING OPERATIONS(After Tax)(X-XI)</b>		<u>-</u>	<u>-</u>
<b>XIII.PROFIT/(LOSS) FOR THE PERIOD(IX+XII)</b>		<u>(11,745)</u>	<u>(10,547)</u>
<b>X.Earnings per equity share:</b>	<b>10</b>	(1.17)	(1.05)
(1) Basic & Diluted (Par value Rs.10)			

The notes referred to above form an integral part of the financial statements.  
This is the Statement of Profit & Loss referred to in our report of even date.

Chartered Accountants

Firm's Registration Number: (004392S)



K. V. Vase  
Partner

Membership Number: (208207)





N.K. Vijayaraghavan  
Director



R. Karthikeya  
Director

Bangalore

Date: 28-08-2014

For India Aviation Training Institute Pvt. Ltd.

  
Authorized Signatories

Certified True Copy

**INDIA AVIATION TRAINING INSTITUTE  
PRIVATE LIMITED**

**ANNUAL ACCOUNTS 2012-13**

**Certified True Copy**

For India Aviation Training Institute Pvt. Ltd.

Authorised Signatories



Balance Sheet	NOTE	As at 31st March 2013	As at 31st March 2012
<b>EQUITY AND LIABILITIES</b>			
<b>SHAREHOLDERS' FUNDS</b>			
Share capital	3	1,00,000	1,00,000
Reserves and surplus	4	(2,28,700)	(2,18,153)
		<u>(1,28,700)</u>	<u>(1,18,153)</u>
<b>NON-CURRENT LIABILITIES</b>			
Other long term liabilities	5	28,07,138	27,93,342
		<u>28,07,138</u>	<u>27,93,342</u>
<b>CURRENT LIABILITIES</b>			
Trade payables	6	33,399	36,648
		<u>33,399</u>	<u>36,648</u>
	<b>TOTAL</b>	<u>27,11,837</u>	<u>27,11,837</u>
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
Fixed assets			
Capital work-in progress		27,11,837	27,11,837
		<u>27,11,837</u>	<u>27,11,837</u>
<b>CURRENT ASSETS</b>			
		-	-
	<b>TOTAL</b>	<u>27,11,837</u>	<u>27,11,837</u>
<b>COMMITMENTS AND CONTINGENCIES</b>			
	7	-	-
		<u>-</u>	<u>-</u>
<b>SIGNIFICANT ACCOUNTING POLICIES &amp; NOTES ON ACCOUNT</b>			
	1 & 2		
The notes referred to above form an integral part of the financial statements.			
This is the Balance Sheet referred to in our report of even date.			

As per our report attached  
for T. Velupillai & Co.  
Chartered Accountants  
Firm's Registration Number 004592S

Anto Joseph  
Partner  
Membership Number: (0203958)

Bangalore  
Date: 03.09.2013

  
N.K. Vijaya Raghavan  
Director

  
R. Karthikeyan  
Director

Certified True Copy

For India Aviation Training Institute Pvt. Ltd.

  
Authorised Signatories

Statement of Profit and Loss	NOTE	As at 31st March 2013	As at 31st March 2012
<b>REVENUE</b>			
Other income	8	2,219	1,545
<b>TOTAL REVENUE</b>		<b>2,219</b>	<b>1,545</b>
<b>EXPENSES</b>			
Other expenses	9	12,766	15,000
<b>TOTAL EXPENSES</b>		<b>12,766</b>	<b>15,000</b>
<b>PROFIT BEFORE TAX AND EXCEPTIONAL ITEMS</b>		<b>(10,547)</b>	<b>(13,455)</b>
Tax expense			
Current tax			
Deferred tax			
<b>PROFIT AFTER TAX BEFORE EXCEPTIONAL ITEMS</b>		<b>(10,547)</b>	<b>(13,455)</b>
Exceptional items		-	-
<b>PROFIT AFTER TAX AND EXCEPTIONAL ITEMS</b>		<b>(10,547)</b>	<b>(13,455)</b>
<b>PROFIT FOR THE YEAR</b>		<b>(10,547)</b>	<b>(13,455)</b>
Earnings per equity share:			
(1) Basic & Diluted (Par value Rs.10)	10	(1.05)	(1.35)

The notes referred to above form an integral part of the financial statements.  
This is the Statement of Profit and Loss referred to in our report of even date.

As per our report attached  
for T. Velupillai & Co.  
Chartered Accountants  
Firm's Registration Number 004592S

Antony Joseph  
Partner  
Membership Number (0003958)

Bangalore  
Date: 03.09.2013

N.K. Vijaya Raghavan  
Director

R. Karthikeyan  
Director

Certified True Copy

For India Aviation Training Institute Pvt. Ltd.

Authorised Signatories

Cash Flow Statement	Year ended 31st March 2013	Year ended 31st March 2012
<b>A-CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net Profit/ (Loss) before taxation after prior period items	(10,547)	(13,455)
Adjustments to Reconcile profit before tax to cash provided by operating activities		
Depreciation/amortization		
Interest income		
Interest Paid		
Gain on foreign exchange transactions		
Profit from sale of investments		
<b>Operating profit before working capital changes</b>	<u>(10,547)</u>	<u>(13,455)</u>
Movements in working capital		
(Increase)/Decrease in Sundry debtors		
(Increase)/Decrease in loans and advances		
(Increase)/Decrease in other current assets		
(Increase)/Decrease in Other non-current assets		
(Increase)/Decrease in Inventories		
Increase/(Decrease) in trade payables	(3,249)	3,455
Increase/(Decrease) in other long term liabilities	13,796	10,000
<b>Cash generated from operating activities</b>	<u>-</u>	<u>-</u>
Direct taxes paid	-	-
<b>Net Cash generated from Operating Activities</b>	<u>-</u>	<u>-</u>
<b>B-CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of fixed assets		
Interest received		
Proceeds from Sale of Investments		
Profit from Sale of Investments		
<b>Net Cash provided by/(used in) Investing Activities</b>	<u>-</u>	<u>-</u>
<b>C-CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds from share capital		
Interest on Borrowings		
Proceeds from short term borrowings-exchange gain		
<b>Net Cash used in Financing Activities</b>	<u>-</u>	<u>-</u>
<b>NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<u>-</u>	<u>-</u>
<b>CASH AND CASH EQUIVALENTS AS AT BEGINNING OF THE YEAR</b>	<u>-</u>	<u>-</u>
<b>CASH AND CASH EQUIVALENT AT THE YEAR END</b>	<u>-</u>	<u>-</u>

The notes referred to above form an integral part of the financial statements.

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

As per our report attached  
for T. Vehupillai & Co.  
Chartered Accountants  
Firm's Registration Number 004592S

Anto Joseph  
Partner  
Membership Number: (0203958)

Bangalore  
Date: 03.09.2013

  
N.K. Vijaya Raghavan  
Director

Certified True Copy

  
R. Karthikeyan  
Director

For India Aviation Training Institute Pvt. Ltd.

## ANNEXURE 7B

Financial Synopsis for last three financial years as per the audited statement of Accounts (standalone)

**AXISCADES Engineering Technologies Limited**

Amount INR in Crores

Particulars	FY 15	FY 14	FY 13
Equity Paid up Capital @	13.61	10.00	10.00
Reserves & Surplus	74.48	63.48	30.66
Carry forward losses	-	-	-
Net worth	88.09	73.48	40.66
Miscellaneous Expenditure	-	-	-
Secured Loans	26.09	32.16	4.58
Unsecured Loans	-	0.77	-
Fixed Assets*	22.86	26.83	7.55
Total Income	189.57	183.13	54.77
Total Operating Expenditure	159.04	161.96	41.55
Profit / (Loss) after Tax	11.32	8.20	7.40
Cash Profit	19.37	15.24	9.80
EPS Diluted	4.49	3.02	3.71
Book Value (diluted)	32.40	28.35	20.37

@ FY14 numbers excludes shares pending allotment of Rs. 3.61 crores

AXISCADES Engineering Technologies Ltd

  
**SHWETA AGRAWAL**  
 Company Secretary

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

CIN No.: L72200DL1990 PLC 041275

D-30, Sector - 3, Noida - 201 301, Uttar Pradesh INDIA Ph: +91 120 451 8200 / 8300 Fax: +91 120 244 2921

Reg. Office : A-264, 2nd Floor, Defence Colony New Delhi - 110 024 | Email: info@axiscades.com | www.axiscades.com

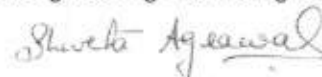
**INDIA AVIATION TRAINING INSTITUTE  
PRIVATE LIMITED**  
India Aviation Training Institute Private Limited

Particulars	FY 15 (Rs)	FY 14 (Rs)	FY 13 (Rs)
Equity Paid up Capital	1,00,000	1,00,000	1,00,000
Reserves and Surplus			
Profit & Loss Balance	(29,37,683)	(2,40,445)	(2,28,700)
Net worth	(28,37,683)	(1,40,445)	(1,28,700)
Miscellaneous Expenditure			
Secured Loans			
Unsecured Loans			
Fixed Assets/CWIP		27,11,837	27,11,837
Total Income	25,835		2,219
Total Expenditure	(27,23,073)	(11,745)	(12,766)
Profit / (Loss) after Tax	(26,97,238)	(11,745)	(10,547)
Cash Profit			
EPS	(269.72)	(1.17)	(1.05)
Face Value	10	10	10

For India Aviation Training Institute Pvt. Ltd.  
  
 Authorised Signatories

**QUARTERLY COMPLIANCE REPORT ON CORPORATE GOVERNANCE**Name of the Company: **AXISCADES Engineering Technologies Limited (formerly Axis-IT&T Ltd.)**Quarter ending on **30<sup>th</sup> June, 2015**

Particulars	Clause of Listing Agreement	Compliance Status (Yes/No/N.A.)	Remarks
1	2	3	4
<b>II. Board of Directors</b>	<b>49 II</b>		
(A) Composition of the Board	49(IIA)	Yes	
(B) Independent Directors	49(II B)	Yes	
(C) Non-executive Directors' compensation & disclosures	49(II C)	Yes	
(D) Other provisions as to Board and Committees	49(II D)	Yes	
(E) Code of Conduct	49(II E)	Yes	
(F) Whistle Blower Policy	49(II F)	Yes	
<b>III. Audit Committee</b>	<b>49 III</b>		
(A) Qualified & Independent Audit Committee	49(III A)	Yes	
(B) Meeting of Audit Committee	49(III B)	Yes	
(C) Powers of Audit Committee	49(III C)	Yes	
(D) Role of Audit Committee	49(III D)	Yes	
(E) Review of Information by Audit Committee	49(III E)	Yes	
<b>IV. Nomination and Remuneration committee</b>	<b>49(IV)</b>	Yes	
<b>V. Subsidiary Companies</b>	<b>49(V)</b>	Yes	
<b>VI. Risk Management</b>	<b>49(VI)</b>	Yes	Risk Management Committee formation not mandatory for us.
<b>VII. Related Party Transactions</b>	<b>49(VII)</b>	Yes	
<b>VIII. Disclosures</b>	<b>49(VIII)</b>		
(A) Related party transactions	49(VIII A)	NA	There are no material transactions with related parties
(B) Disclosure of Accounting Treatment	49(VIII B)	Yes	
(C) Remuneration of Directors	49(VIII C)	Yes	
(D) Management	49(VIII D)	Yes	
(E) Shareholders	49(VIII E)	Yes	
(F) Proceeds from public issues, rights issues, preferential issues etc.	49(VIII F)	N.A	
<b>IX. CEO/CFO certification</b>	<b>49(IX)</b>	Yes	Annual Certificate for FY 2014-15 is taken
<b>X. Report on Corporate Governance</b>	<b>49(X)</b>	Yes	
<b>XI. Compliance</b>	<b>49(XI)</b>	Yes	Done in AR 2013-14 and will be done in AR 2014-15

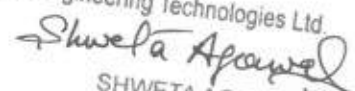
For **AXISCADES Engineering Technologies Limited**


(SHWETA AGRAWAL)

COMPANY SECRETARY

New Delhi  
13<sup>th</sup> July, 2015**Certified True Copy**

AXISCADES Engineering Technologies Ltd.


SHWETA AGRAWAL  
Company Secretary