

Annual Report 2014-2015



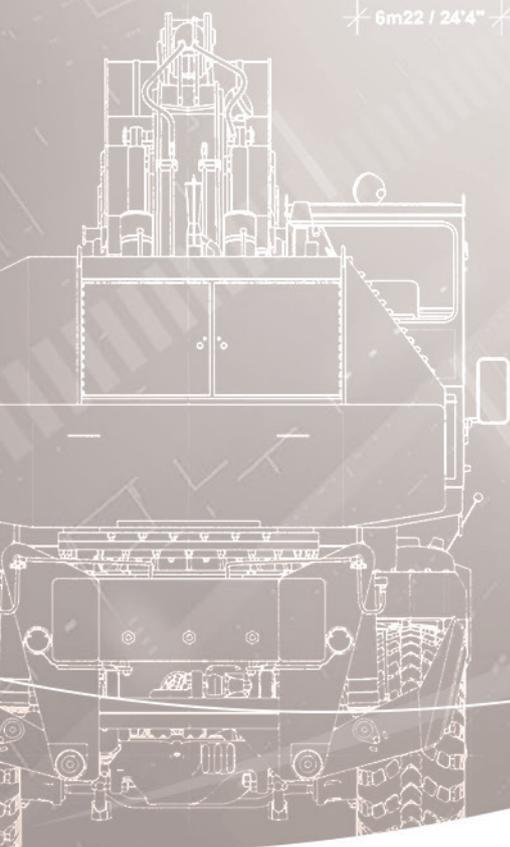
AXISCADES

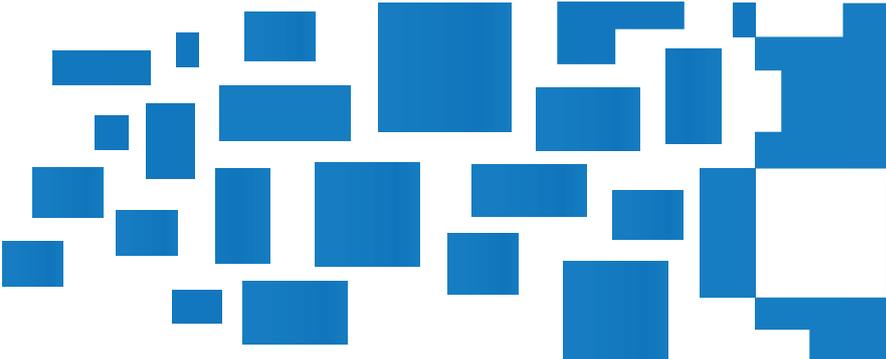
Inspired Solutions. By Design

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



✱ 6m22 / 24'4" ✱





ANNUAL REPORT
2014 - 2015



BOARD OF DIRECTORS



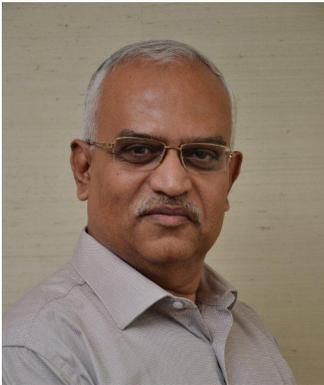
Dr. Vivek Mansingh
Independent Director
Chairman of the Company
& CSR



Mr. Valmeekanathan S.
Executive Director, CEO



Mr. Kailash M. Rustagi
Independent Director
Chairman Audit Committee



Mr. Srinath Batni
Independent Director
Chairman Nomination &
Remuneration Committee



Mr. Pradeep Dadlani
Independent Director
Chairman Stakeholders
Relationship Committee



Mrs. Vimmi M Trehan
Independent Director



Mr. Kedarnath Choudhury
Non-Executive Director



Mr. Rohitasava Chand
Non-Executive Director



Mr. Amit Gupta
Non-Executive Director



KEY MANAGEMENT PERSONNEL



Mr. Valmeekanathan S.
*Chief Executive Officer &
Director*



Mr. Kaushik Sarkar
Chief Financial Officer



Ms. Shweta Agrawal
*Company Secretary &
Compliance Officer*

CORPORATE INFORMATION:

REGISTERED OFFICE
AXISCADES Engineering
Technologies Limited
A-264, Second Floor,
Defence Colony,
New Delhi-110024

BANKERS
Yes Bank Ltd.
Prestige Obelisk,
Kasturba Road,
Bengaluru-560001

OFFICE FOR CORRESPONDENCE
For Company Secretary
D-30, Sector-3,
Noida-201301

For CFO
Kirloskar Business Park, Block C, 2nd Floor, Hebbal,
Bengaluru-560024

COMPANY SECRETARY & COMPLIANCE OFFICER
Ms. Shweta Agrawal

AUDITORS
Walker Chandio & Co LLP
(Formerly Walker Chandio & Co)
16/1, Cambridge Road, Ulsoor,
Bengaluru- 560008



NOTICE OF 25th ANNUAL GENERAL MEETING

Date: September 7, 2015

Venue: Air Force Auditorium, Subroto Park, New Delhi-110010

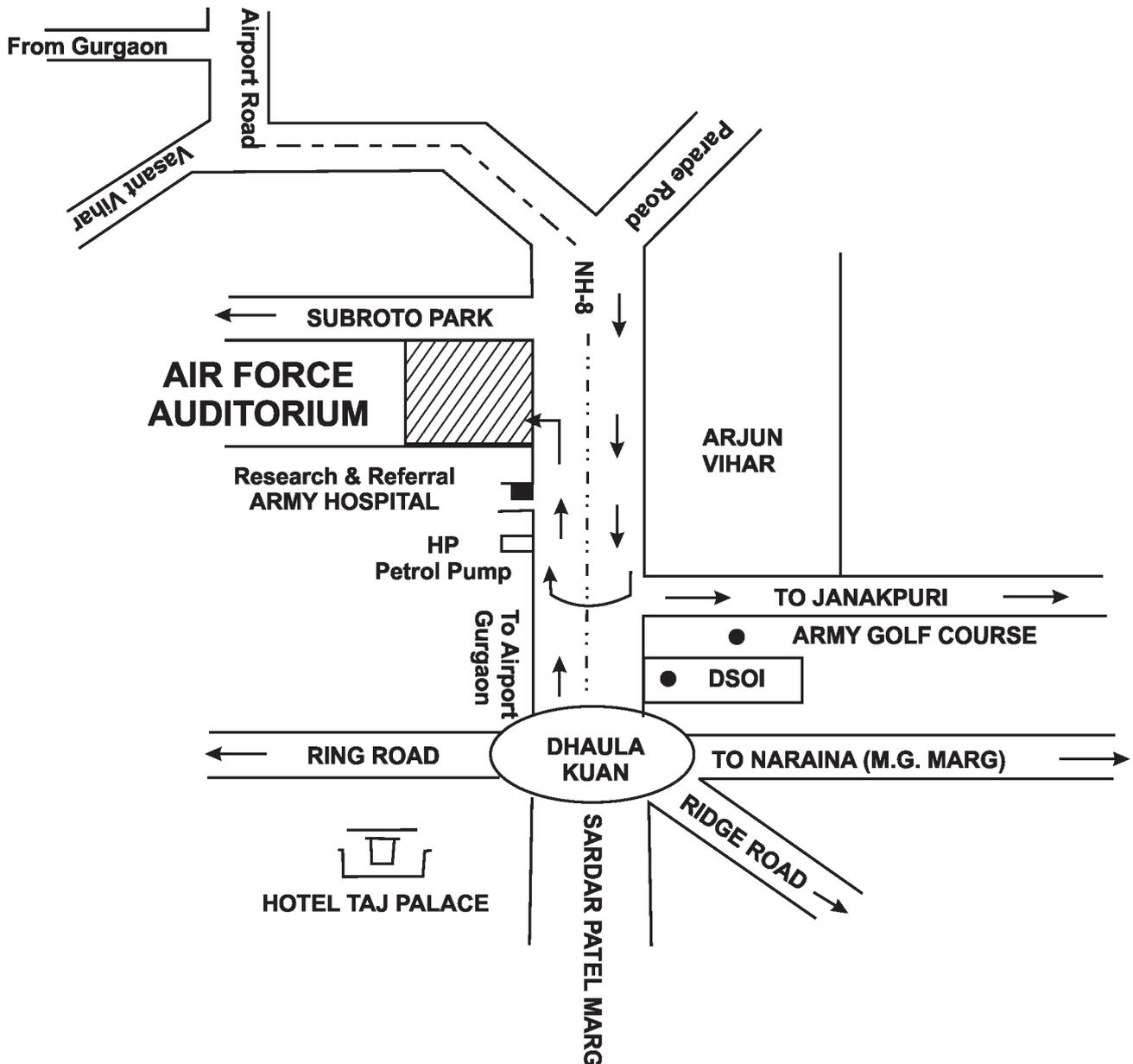
Time: 10.30 a.m.

Proxy form and Attendance Slip are dispatched along with the Annual Report

Route Map to Venue of AGM



Route Map of venue of AGM of AXISCADES Engineering Technologies Ltd. to be held on Monday, 7th September, 2015 at 10.30 am at Air Force Auditorium.

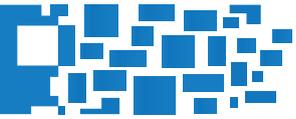




Content

1.	Chairman's Message	8
2.	Business Profile	10
3.	Board's Report	16
4.	Management Discussion & Analysis	47
5.	Corporate Governance Report	54
6.	CEO and CFO Certification	76
7.	Standalone Financial Statements	77
8.	Consolidated Financial Statements	106
9.	Notice of 25th Annual General Meeting	133

Chairman's Message



Dr. Vivek Mansingh

Dear Stakeholders,

2014-15 was a new beginning for your Company. With the new name 'AXISCADES Engineering Technologies Limited', in essence a uniform brand has been created that brings together two existing engineering companies – Axis IT&T and Cades Digitech. Both these companies had strong established credentials built over a couple of

decades with their own business models, core engineering competencies, good market presence and strong client engagements.

The first stage of the business transformation was about integrating these two entities into one cohesive organisation with uniform processes and systems. This exercise was about identifying best practices and putting them together while re-engineering the organisation to meet the requirements of the future. This is being supplemented with continuous improvement initiatives to instil operational efficiency as a key characteristic of the DNA of the organisation. In addition, we are driving to further utilise the complementary geography and industry focus of the two entities and leveraging their respective organisational strengths to scale up operations. The integrated organisation now has consistency in terms of provision of value for customers and 'go to market' strategy. In the present global scenario, for an engineering services company based out of India, like us, the market opportunities are immense. There are several estimates that give a sense of the numbers. The latest report by NASSCOM titled 'Global ER&D: Reaching the Inflection Point', released on 26 May 2015, suggests that the annual spending on Engineering and Research and Development (E&RD) will increase to around US\$1.7 trillion. Out of this spend, with a growth of around 7% per annum, the offshore E&RD market is estimated to become US\$ 100-110 billion by 2020, where India's share is expected to rise to around 32%. So, for companies like AXISCADES, the addressable market size for outsourcing of engineering services will be around US\$ 32-35 billion by 2020 and is estimated today to be around US\$17 billion. For me, these numbers are just indicative of the potential of the industry. Different agencies adopting alternate estimation models may come up with other forecasts or estimates, but the important thing is that the result will still suggest a large opportunity.

Having been at the helm of some of the world largest technology driven enterprises, one thing I can vouch for is the need that global companies have of constantly innovating and developing new products and services to remain competitive and drive growth, even when market conditions are not good. It is a well-known fact that companies react most in terms of improving operational efficiencies when demand conditions are challenging and financial performance is under stress. In this light, the recent global economic slowdown has prompted



companies to re-examine the way they do their E&RD spends. What is widely evident is that many companies are continuously improving their E&RD operations and are increasingly considering offshoring of most of their engineering activities. Thus, the opportunity for offshoring engineering services is increasing.

At this juncture, let me take a step back and look at where AXISCADES stands today as a Company.

To begin with, let us look at the financial performance in 2014-15.

As a consolidated entity, total income has grown by 3% to Rs.3,192.4 million. However, in terms of both profits and cash flows there have been significant improvements. With EBIDTA margin as a ratio to revenue increasing from 10.2% in 2013-14 to 13.6% in 2014-15, EBIDTA, in absolute terms, increased by 37.2% to Rs.434.7 million in 2014-15. This improvement in profitability is particularly impressive because it has been achieved at a time when the Company's fixed costs, particularly employee costs, have actually increased with growing levels of hiring. This growth in profitability is primarily due to two factors. First, the increased share of offshore servicing compared to onsite service delivery, increased the share of more cost effective operations. Second, with development in internal capabilities, a sizable portion of the services were executed in-house at the cost of external contractors. In-house service delivery is more cost effective. So on the ground, in terms of operations, we have taken a small albeit strategically correct step forward. The other positive has been the improvements in cash management - cash flow from operations increased by 89.1% to Rs.309.4 million in 2014-15.

Internally, we are making the structural changes necessary to meet our goals. The sales team has been strengthened and transformed from a Business Unit (BU) wise structure to an integrated organisation including three layers – sales, delivery and practice. This is bringing greater focus for the respective functions of sales and delivery. With the added thrust on sales, not only has the Company secured 5 new customers during 2014-15 but is also in advanced stage of discussions to secure some new deals for starting dedicated offshore development centres for a large industrial products company and in renewables energy.

In terms of human resource we have strengthened our team. At the leadership level, we have brought in senior professionals who have strong backgrounds of working in some of the world's leading technology companies.

In addition, corporate governance structures are being strengthened. Today, it is around a year that I have taken fiduciary responsibilities for all shareholders as a non-executive Chairman of the Board of Directors. In this period, the Board has been further strengthened with the inclusion of certain eminent people. In line with the regulatory requirement, we have appointed a lady independent

Director. Clearly, the Company will be supervised by an independent and proactive Board of Directors.

We are primarily an engineering company and will chart out our growth path maintaining this inherent characteristic. We have been servicing three verticals – Aerospace, Heavy engineering, Automobile and Industrial products and are strengthening our capabilities in these activities without over diversifying prematurely. It is important to appreciate that engineering is not just a technology play. It is about domain understanding, which is very important to support the specific needs of a customer in a given industry. There is a strong barrier to entry in this business and engagement structures are very critical. If we can move successfully today, the opportunity is long term because some of our products have life spans, which can stretch even over 3 decades.

There is immense scope in spreading across more industries and expanding beyond our core engineering capability, which is mechanical and electrical, to other domains like electronics etc. While we are committed to move in this direction, we will tread cautiously. Our initial focus is on further strengthening the abilities in our established domains to provide solutions to customers' problems and establish a step in the direction of becoming engineering partners who can co-create products.

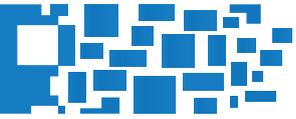
In 2014-15, we have created the platform for launching into a strong growth path for AXISCADES. The opportunities are massive but we acknowledge that competition is also stiff. We will move forward in a well calibrated manner where growth is achieved by best managing risks. It is as much about identifying opportunities and developing long term customer relations, as it is about putting the right people, processes and systems in place that will create an efficient, scalable and agile enterprise.

While we focus on value creation for our shareholders, we also aspire to become a good corporate citizen and are driven by the principle of giving back to society. During 2014-15, we have created the framework for a structured Corporate Social Responsibility (CSR) initiative through a formal CSR policy. The core focus is on supporting social and economic inclusion and environment sustainability. We have identified partners and started executing projects from May 2015. We will continue to strengthen this activity. I would like to take this opportunity to thank all our stakeholders including the shareholders, partners, vendors, customers and creditors for their support. A special mention is due for all the employees whose tireless efforts is what is shaping the ability of the Company to deliver long term sustainable value. The opportunities are immense and 'we have miles to go before we sleep'. Look forward to all your faith and belief in our vision as we set sail for the next stage of our development path.

Dr. Vivek Mansingh.



Global Engineering Services



A Sea Of Opportunity For India

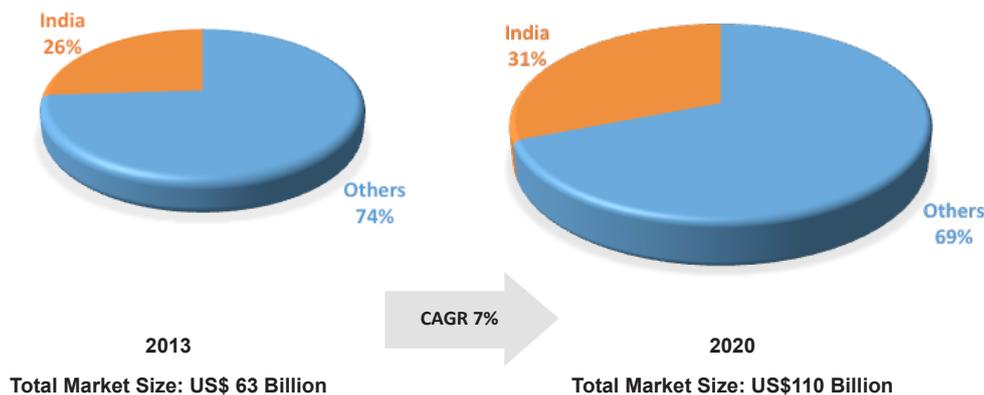
Global Engineering and R&D Offshoring Market

Indian offshore E&RD opportunity to grow because:

Higher propensity to offshore seen across sectors to gain cost advantages

India's share expected to grow because of cost advantages and large talent pool

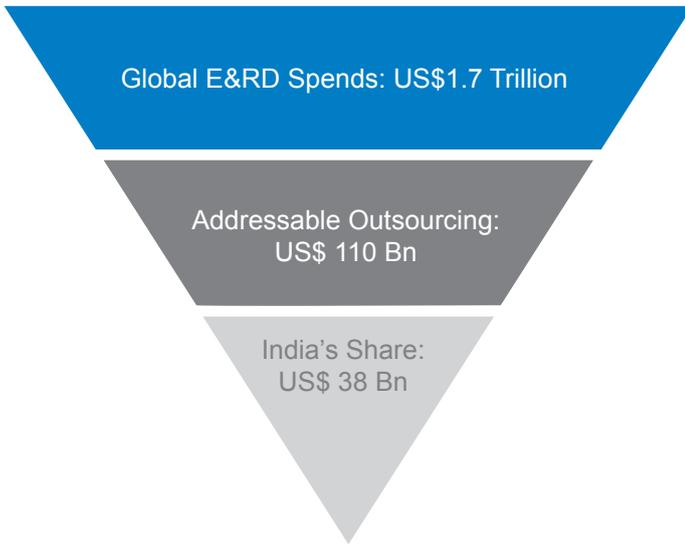
Localisation of products driving large E&RD to India – Closer to end customer



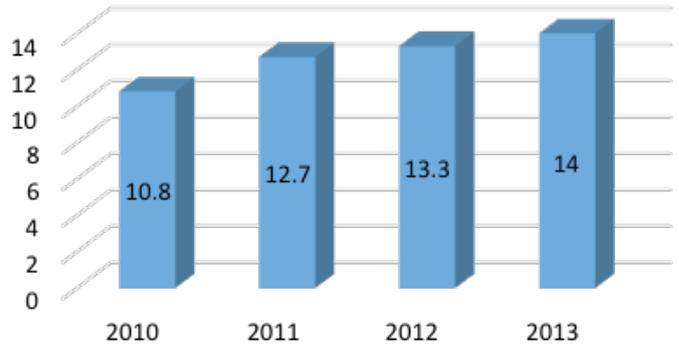
* Note: Market projections are based on report by NASSCOM titled 'Global ER&D: Reaching the Inflection Point', released on 26 May 2015



Call to Action for India E&RD Industry Growth (2020)



India E&RD Spends (US\$ bn)



**Domestic E&RD Spends is also
growing with GDP growth**

Capability Development

- Digital Engineering Hub
- Hardware Capabilities
- Deployable Technical Talent
- Acquisitions and expert hiring

Positioning: Enhanced Profile

- Evolved Value Proposition
- Globally recognised accreditations
- Global Footprint and Strategic Partnership

Attractive Business Environment

- Investor Friendly Policies
- Government funded research programmes
- Industry academia collaborations



AXISCADES

Inspired Solutions. By Design

*Building
the
runway*



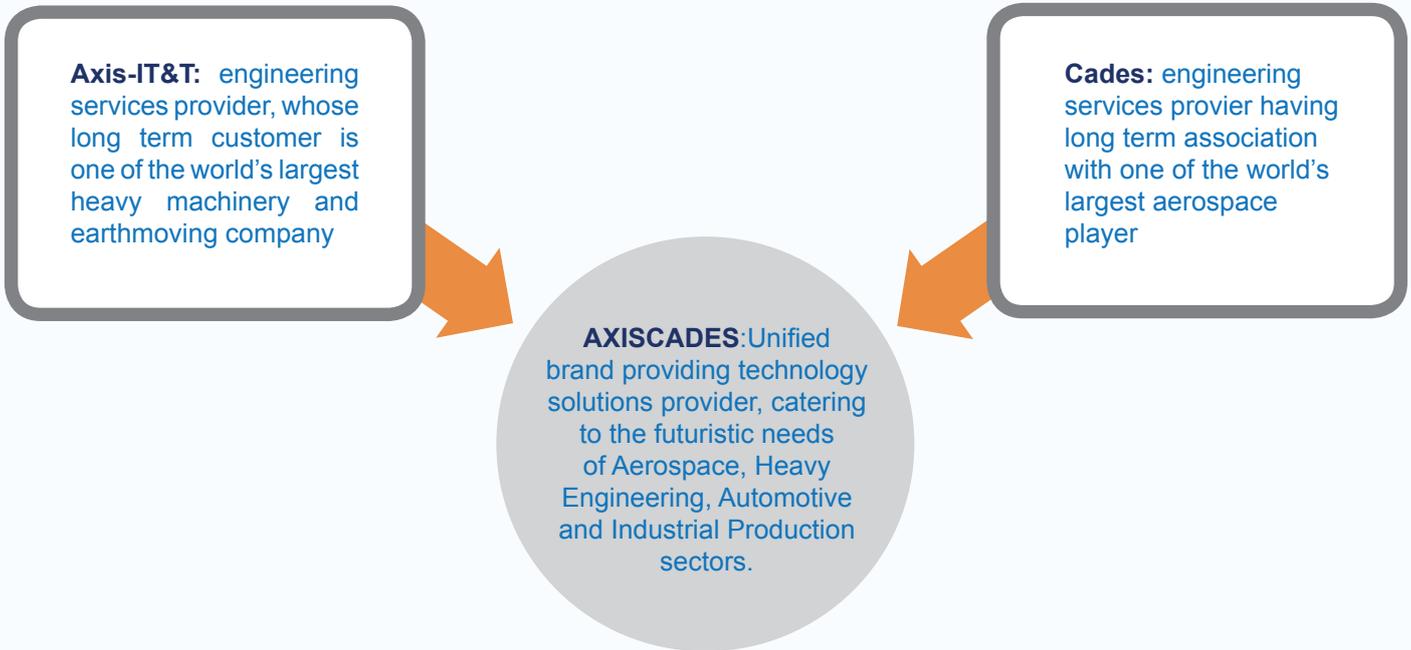
*Poised
to take-off*

Vision:

To be a globally-admired provider of innovative Engineering solutions, in a Complex, Futuristic World.

Mission:

A global organization partnering the eco-system in developing inspired engineering solutions at every stage of the business' life-cycle through expertise in evolving technologies, best-in-class talent pool and proprietary processes – AXCELERATE.



2014-15

Was about Laying the Foundation for Next Round of Accelerated growth and positioning the Company to best leverage the opportunities in the global engineering services market

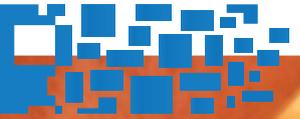
- Integrated Brand**
 - In March 14, formally merged Axis-IT&T and Cades and successfully integrated the organisations to form AXISCADES
- Independent Board**
 - Reconstituted the Board with healthy mix of independent Directors and executives
 - Appointed a non-executive, independent Chairman
- New Leadership**
 - Appointed new CEO, CFO, Head of Engineering & Head of Sales
 - All of them have strong industry background from large corporations
- Rearchitcturing**
 - Shifted from BU structure to a more sector agnostic set up including sales, delivery and practice teams
 - Grew sales team to put more feet on the street
 - Focus on servicing across product life cycle and partnerships



AXISCADES

Inspired Solutions. By Design

Moulding The Organisation To Be



***Efficient, Scalable
and Agile***



BUILDING ON A STRONG MARQUEE CUSTOMER BASE:

In an industry where entry is difficult, AXISCADES has done business with 62 customers across the world, most of whom are renowned marquee brands. There is scope to increase services to this base and also to leverage existing credentials to break into new customers.

Aerospace

- Engaged with one of the world's largest OEMs with exclusive ODC
- 20 plus customers serviced till date

Heavy Engineering

- Engaged with major global Heavy engineering player with exclusive ODCs around the world
- 16 plus customers services till date

Automotive and Industrial Products

- Engaged with one of the world's most high value OEM producers and Tier one suppliers
- Partnering a wind major

BUILDING ON CORE ENGINEERING COMPETENCIES:

The Company is a core engineering service provider with over 2 decades of experience having primary focus on mechanical engineering and some electrical engineering for aerospace, heavy engineering and auto. Going forward it will on one hand move to other engineering domains and wider industry application.

Aerospace

- Extensive experience in structures, aircraft interiors, MSI and ESI, electrical harness, manufacturing engineering and in-service support

Heavy Engineering

- Expertise in structures, interiors, harness, hydraulics, value analysis/ value engineering
- Nearly 3 decades experience in supporting engines and machines development

Automotive and Industrial Products

- Rich experience in desing, analysis, simulation and manufactruing support
- Experience on cars, SUVs, Trucks and other commercial vehicles

Around 1,500 FTEs are working on engineering solutions across life cycle of product, starting from product design, system engineering, manufacturing to product support in 14 locations with 10 offshore design centres



Board's Report



Your Directors have pleasure in presenting the 25th Annual Report, together with the Audited Accounts of the Company, for the year ended 31st March, 2015.

1. FINANCIAL RESULTS

(₹ Million)

Particulars	Standalone		Consolidated	
	2014-15	2013-14	2014-15	2013-14
Total income	1,895.71	1,831.31	3,192.43	3,098.89
Total expenditure (before interest & depreciation)	1,590.45	1,619.63	2,757.70	2,782.14
Earnings before interest, depreciation, amortization and extra-ordinary items	305.26	211.69	434.73	316.76
Interest & finance charges	23.03	34.44	23.53	36.08
Depreciation & amortization	80.44	70.40	93.35	81.63
Earnings before Tax and Exceptional Items	201.80	106.84	317.84	199.05
Exceptional items	29.71	3.50	29.71	3.50
Profit before Tax (PBT)	172.09	103.34	288.14	195.55
Provision for Tax – Current & Deferred	58.85	21.31	90.06	35.76
Net Profit after Tax (PAT)	113.24	82.03	198.07	159.78
Minority Interest	0.00	0.00	3.96	17.70
Profit for the period	113.24	82.03	194.11	142.08

Performance Review

The Company continued to be engineering partners to clients in aerospace, heavy engineering, industrial products and auto industry, and recorded growth both in terms of revenues and profitability. The improved earnings reflect focus on efficiency in operation in FY 2015 enabling the company to invest for growth. The Company continued to invest in building a strong leadership team, a larger and more focused sales team and new recruitments of subject matter experts from industry to scale up the practice line. These investments together with focus on delivering customer value has laid down a solid platform for accelerated growth in the future.

Financial Highlights – Standalone

Total Income increased by 3.5% to Rs.1, 895.7 million in 2014-15. EBIDTA increased by 44.2% to Rs.305.3 million in 2014-15. Profit before tax and exceptional items increased by 88.9% to Rs.201.8 million in 2014-15. Net Profit after tax increased by 38% to Rs.113.2 million in 2014-15.

Financial Highlights – Consolidated

Total Income increased by 3% to Rs.3,192.4 million in 2014-15. EBIDTA increased by 37.2% to Rs.434.7 million in 2014-15. Profit before tax and exceptional items increased



by 59.7% to Rs.317.8 million in 2014-15. Net Profit after tax increased by 24% to Rs.198 million in 2014-15.

Dividend

Considering need for conservation of funds for catering to the immediate growth plans of the company, your Directors consider it expedient to pass over dividend for 2014-15.

Particulars Of Loans, Guarantees Or Investments

The company has not made any loan or provided any guarantee or made investments during the financial year falling within the purview of Section 186 of Companies Act, 2013. The position of all the loans/guarantees and Investments held or outstanding as on March 31, 2015 are furnished in the financial statements.

Public Deposits

The Company has not accepted/renewed any public deposits and as such no amount on account of principal or interest on public deposits under Section 73 of the Companies Act, 2013, read with Companies (Acceptance of Deposits) Rules, 2014 was outstanding as on the date of the Balance Sheet.

Issue And Listing Of Shares

The company's shares are listed on BSE Limited (BSE) and National Stock Exchange Limited (NSE). Stock performance and stock data are furnished in the section on Corporate Governance

Pursuant to the Scheme of Arrangement for merger of CADES Digitech sanctioned by the Hon'ble High courts of Karnataka and Delhi, 72,29,112 equity shares have been issued and allotted to the shareholders of amalgamating company and the shares have been duly listed on the stock exchanges. The issued and paid up capital of the company stands increased to that extent.

Particulars Of Contracts Or Arrangements With Related Parties

The particulars of contracts or arrangements with related parties referred to in section 188(1) of the Companies Act, 2013 are furnished in the prescribed form AOC-2 as *Annexure I* to this Report. All transactions with the related parties during the financial year were in the ordinary course of business and at arm's length basis. The company has

taken necessary approvals of Audit Committee & the Board, as applicable to a transaction.

The Company has not entered into any transaction with related parties which can be considered material in accordance of with the policy of the Company on material related party transactions formulated as per the requirements of Listing Agreement. The Policy on materiality and dealing with related party transactions formulated and approved by the Board is posted on the website of the Company and is accessible at www.axiscades.com

Material Changes And Commitments

There were no material changes and commitments affecting the financial position of the Company occurred between the financial year end and the date of this report.

Management Discussion And Analysis

A detailed chapter on Management Discussion and Analysis highlighting the Company's strategy, business environment, operations, performance, risks and outlooks is provided separately in this Annual Report.

2. BUSINESS STRUCTURE

Subsidiaries, Joint Ventures And Associate Companies

The Company has following the following subsidiaries:
Overseas Subsidiaries

Sl. No	Name of the subsidiary	Location/Country
1	Axis Inc.	Peoria, Illinois USA
2	Axis EU Europe Ltd.	Leicestershire, UK
3	Cades Technology Canada Inc.	Montreal, Quebec, Canada
4	Axis Mechanical Engineering Design (Wuxi) Co Ltd	Wuxi City, China

Indian Subsidiary

Sl. No	Name of the subsidiary	Location/Country
1	Cades Studec Technologies (India) Private Limited	Bengaluru, India

All foreign subsidiaries are wholly owned by the Company and in Indian subsidiary, the Company holds 76% equity. The company does not have any joint venture or associate company.

A report on the performance and financial position of each of the subsidiaries as per rule 8(1) of Companies (Accounts) Rules 2014 is furnished under the statement containing salient features of financial statements of subsidiaries in AOC-1 is attached to this Report as *Annexure II*, pursuant to Section 129(3) of Companies Act, 2013.

In accordance with the provisions of Section 136 of the Companies Act, 2013, the audited financial statements of subsidiaries have been placed on the Company's website at www.axiscades.com. The copies of these documents will be sent if requested by any shareholder of the Company/ subsidiary interested in obtaining the same. These documents will also be made available for inspection at the Registered Office of the Company during business hours on working days.

Consolidated Financial Statements

Pursuant to the provisions of Section 129(3) of Companies Act 2013 read with Accounting Standards (AS) 21, 23 and 27, the audited Consolidated Financial Statements are furnished in the Annual Report.

Change Of Name Of The Company

The name of the Company was changed to AXISCADES Engineering Technologies Limited from Axis-IT&T Limited with effect from August 1, 2014 with necessary statutory approvals

3. ORGANIZATION DEVELOPMENT

Board Of Directors

Retirements and Reappointments

Mr. Valmeekanathan S. and Mr. Rohitasava Chand, Directors will retire by rotation at the ensuing Annual General Meeting, and being eligible, offer themselves for re-appointment.

The Directors recommend their re-appointment at the ensuing Annual General Meeting.

All the Independent Directors were appointed by the shareholders either at the previous annual general meeting or by Postal Ballot pursuant to Section 149(10) of Companies Act 2013, and no independent director is liable to retire at the ensuing AGM.

Induction & cessation of Directors and KMP

SI No	Name of the Director	Category	Date of Appointment	Date of Approval by Shareholder	Date of Resignation
1	Dr. Vivek Mansingh	Independent	23.06.2014	09.09.2014	NA
2.	Mr. Valmeekanathan S.	Director & CEO (KMP)	25.02.2014	09.09.2014	NA
3	Mr. Srinath Batni	Independent	08.08.2014	09.09.2014	NA
4	Mr. Kaushik Sarkar	CFO & Director (KMP)	12.09.2014	12.01.2015	25.06.2015*
5	Mr. P Hemanth Polavaram	Independent	29.01.2011	01.08.2011	15.11.2014
6	Mr. S. Ravinarayanan	Non- Executive Chairman	28.04.2008	18.09.2008	21.06.2014
7	Ms. Vimmi M. Trehan	Independent	30.03.2015	19.05.2015	NA
8	Mr. Amit Gupta	Non- Executive	12.09.2014	Proposed in ensuing AGM	NA
9	Ms. Shweta Agarwal	KMP – Company Secretary	26.05.2014	NA	NA

*Mr. Kaushik Sarkar is continuing as CFO w.e.f 25th June 2015.



Human Resources Development

The Company is committed to build an environment and where employees are inspired to achieve excellence in their area of functioning. The Human Resource Policy of the Company is focused on attracting, building and retaining best talents. In this direction, the Company has taken several Human Resource initiatives and has strengthened the in-house Human Resource Department. Many continuous training and employee development programs are put in place.

The manpower strength of the Company, on consolidated basis stood at 1486 employees during the year end.

Particulars Of Employees

The information required pursuant to Section 197 (12) of the Companies Act, 2013 read with Rule 5(1) of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is provided as *Annexure III* to this Report.

The statement of particulars of employees pursuant to Rule 5(2) of Companies (Appointment and Remuneration of Managerial Personnel) Rules 2014 is attached as *Annexure IV* to this Report.

4. CORPORATE GOVERNANCE

The report on Corporate Governance as required under clause 49 of the Listing Agreement is attached and forms part of this Report. A certificate from the Auditors of the company as regards of compliance of conditions of corporate governance is also appended to the report.

Meetings Of The Board

The Board of the Company met 9 (nine) times during the year. The dates, attendance and other particulars of the meetings are furnished in the Report on Corporate Governance attached to this Report. The intervening gap between any two meetings was within the limit prescribed by the provisions of Companies Act, 2013.

Committees Of The Board

The Audit Committee consists of 5 members namely, Mr. Kailash M. Rustagi, Mr. Pradeep Dadlani Mr. Srinath Batni and Dr. Vivek Mansingh, Independent Directors and Mr. Kedarnath Choudhury, Non-executive Director. The Chairman of the Audit Committee is an Independent Director.

All the recommendations made by the Audit Committee during the year have been accepted by the Board.

The Company has also constituted Nomination and Remuneration Committee, Stakeholders Relationship Committee and Corporate Social Responsibility Committee as required under the provisions of Companies Act, 2013 and also as required under Listing Agreements and the composition, scope of their functions, responsibilities etc. are given in the Corporate Governance Section, which forms part of this Report.

Declaration From Independent Directors

The Company has received declarations from all Independent Directors under Section 149(7) of the Companies Act, 2013, to the effect that they meet the criteria of independence as laid down in section 149(6) of the Companies Act, 2013 and clause 49 of the Listing Agreement. The terms and conditions of appointment of Independent Directors are placed on the website of the Company at www.axiscades.com

Performance Evaluation Of The Board, Committees And Directors

Pursuant to the provisions of the Companies Act, 2013 and the Listing Agreement with Stock Exchanges, the Board on recommendation of the Nomination & Remuneration Committee, has formulated a Policy containing, inter alia, the criteria for evaluation of the performance of the Board, its Committees and individual directors, including independent directors, and the details have been furnished in the section on Corporate Governance. The evaluation of all the directors, Board as a whole and Committees thereof is being conducted once a year, based on the criteria and framework adopted in the policy.

Vigil Mechanism

The Vigil Mechanism of the Company which also incorporates the Whistle blower policy provides a formal mechanism to all Directors and employees to approach the Chairman of the Audit Committee and make protective disclosures about unethical behavior, actual or suspected fraud or violation of the Company's Code of Conduct or ethics policy. The Whistle Blower Policy is an extension of the Company Code of Conduct, which requires every employee to promptly report to the Management any actual or possible violation of the Code or an event he is aware of, that could affect the business or reputation of the Company. The disclosures reported are addressed in the manner and within the time frames prescribed in the Policy. No personnel of the Company were denied access



to the Chairman of the Audit Committee. The Whistle blower policy which also describes the mechanism may be accessed on the Company's website at www.axiscades.com.

Policy On Director's Appointment And Remuneration

The company's policy on directors' appointment and remuneration including criteria for determining qualifications, positive attributes, independence of a director and the policy on remuneration of directors, key managerial personnel and other employees formulated pursuant Section 134(3) (e) and 178 (3) of the Companies Act, 2013 are furnished in *Annexure V*.

Risk Management Policy

The Company has formulated and implemented a Risk Management Policy which focuses on identification of elements of risk, if any, which in the opinion of the Board, may threaten the existence of the Company.

The Company has a risk identification and management frame work appropriate to its size and the environment under which it operates. The risk management process involves identification and periodic assessment of potential risks and their impact on the operations, profitability, growth and continuity and focuses on risk elements related competitive position in the key market segments, business environment, statutory and regulatory changes, global economy and business scenario, Currency exchange rate fluctuations, resource constraints etc. and initiating timely preventive as well as remedial actions.

Prudential norms aimed at limiting exposures are an integral part of this framework. Reporting and control mechanisms ensure timely information availability and facilitates proactive risk management. These mechanisms are designed to cascade down to the level of line managers so that risk at the transactional level are identified and steps are taken towards mitigation in a decentralized fashion. Risks are being continuously monitored in relation to business strategy, operations and transactions, statutory/legal compliance, financial reporting, information technology system etc. on inputs from both external and internal sources like key incidents, Internal audit findings etc.

The Board of Directors is responsible for monitoring risk levels on various parameters and the senior management group ensures implementation of mitigation measures, if required. The audit committee provides the overall direction on the risk management policies.

Prevention Of Sexual Harassment Of Women At Workplace

In order to prevent sexual harassment of women at work place your Company has adopted a Policy for prevention of Sexual Harassment of Women at Workplace and has proper mechanism to control the same which is commensurate with the nature and size of the business of the company. During the year 2014-15, no such complaints were received.

5. DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to Section 134(5) read with Sec.134 (3) (c) of the Companies Act, 2013, your Directors confirm that:

- a. in the preparation of the annual accounts the applicable accounting standards have been followed along with proper explanation relating to material departures;
- b. they have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit or loss of the Company for that period;
- c. they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d. they have prepared the annual accounts on a going concern basis;
- e. have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and are operating effectively; and
- f. have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

6. AUDITORS AND AUDITORS' REPORT STATUTORY AUDITORS

M/S Walker Chandiok & Co LLP Chartered Accountants (Firm Registration No. 001076N/ N500013), were appointed as Auditors of the Company by the shareholders at the last AGM held on September 9, 2014 to hold office until the conclusion of the 27th AGM of the Company to



be held during the calendar year 2017. In terms of the first proviso to Section 139 of the Companies Act 2013, the appointment of auditors shall be placed for ratification at every AGM. Accordingly the appointment of M/s Walker Chandio & Co LLP Chartered Accountants as Auditors of the Company is placed for ratification of the shareholders at the ensuing AGM. The Company has received a certificate from the auditors to the effect that their appointment will be in accordance with the provisions of Section 141 of the Companies Act, 2013.

The Auditors' Report does not contain any qualification, reservation or adverse remark.

Secretarial Auditor

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed M/s Anant B. Khamankar & Co., Company Secretaries, to undertake Secretarial Audit of the Company for the financial year 2014-15. The Secretarial Audit Report attached as *Annexure VI* forms part of this report. Secretarial Audit Report does not contain any qualification, reservation or adverse remark.

Significant Orders By Regulators/Courts/Tribunals

There are no significant and material orders passed by the regulators or courts which would impact the going concern status of the company and its future operations.

Extract Of Annual Return

The extract of Annual Return of your Company as on March 31, 2015, prepared pursuant to Section 92(3) of the Companies Act, 2013 and the Rules made thereunder, in Form MGT-9 is attached as *Annexure VII* to this Report.

Internal Financial Controls

Your Company has adopted the policies and procedures for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial disclosures.

7. CORPORATE SOCIAL RESPONSIBILITY (CSR)

The company has constituted a Corporate Social Responsibility Committee (CSR Committee) in accordance with the provisions of Section 135 of the Companies Act, 2013 and the rules made thereunder. The Committee is chaired by an Independent Director. The Company on recommendation of the CSR Committee, has framed a CSR policy in line with Schedule VII of the Companies Act, 2013. The policy has been posted and is accessible on the company's website at www.axiscades.com.

The annual report on CSR activities is furnished in '*Annexure VIII*' to this Report.

8. CONSERVATION OF ENERGY, FOREIGN EXCHANGE EARNINGS ETC

The particulars pursuant to Rule 8(3) of Companies (Accounts) Rules 2014, are given below

Conservation of Energy

Being an Information Technology company, is not energy intensive. However, adequate measures have been taken to conserve energy by introducing improved operational methods. The company in its initiative to be ISO14001 – Environmental Management System compliant, is adhering to the provisions of E-Waste (Management and Handling) Rules 2011 and Batteries (Management and Handling) rules 2011, by efficiently managing the AC installations, replacing PC's by VPC and recycling of paper etc.

Foreign Exchange Earnings and Outgo (Standalone)

₹ Million

	2015	2014
Foreign Exchange Earnings	1430.68	1401.40
Foreign Exchange Outgo	616.15	762.21

The Company has not engaged any imported technology. Since the requirements of the technology business are changing constantly, your Company has sought to focus on critical in house technologies and processes, which are likely to create value in the foreseeable future.



9. FUTURISTIC STATEMENTS

Certain statements made in this section or elsewhere in this report may be futuristic in nature. Such statements represent the intentions of the Management and the efforts being put in by them to realize certain goals. The success in realizing these goals depends on various factors both internal and external. Therefore, the investors are requested to make their own judgment by taking into account all relevant factors before making any investment decision.

Acknowledgements

Your Directors deeply appreciate and acknowledge the co-operation and support extended by Clients, Vendors, Investors and Bankers, various government agencies & regulatory bodies across the globe, the Software Technology Park, Noida, Hyderabad & Bangalore and other industry forums and agencies like NASSCOM and look forward to their continued support in the future. Your Directors wish to place on record their appreciation of the valuable contribution made by the employees of the Company at all levels.

For and on behalf of the Board of Directors

-sd-

Valmeekanathan S.
Director

-sd-

Kedarnath Choudhury
Director

Date: August 12, 2015

Place: Bengaluru



ANNEXURES TO THE BOARD'S REPORT



ANNEXURE I - Particulars of Contract / Arrangements made with Related Parties
(Pursuant to Clause (h) of Sub-Section (3) of Section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014 read with Sub-Section (1) of Section 188 of the Companies Act, 2013 - AOC-2)

1. Details of contracts or arrangements or transactions not at arm's length basis:

S. No.	Particulars	Details
(a)	Name(s) of the Related Party and nature of relationship	NIL
(b)	Nature of contracts / arrangements / transactions	NIL
(c)	Duration of the contracts / arrangements / transactions	NIL
(d)	Salient terms of the contracts or arrangements or transactions including the value, if any.	NIL
(e)	Justification for entering into such contracts or arrangements or transactions.	NIL
(f)	Date(s) of approval by the Board	NIL
(g)	Amount paid as advances, if any	NIL
(h)	Date on which the special resolution was passed in General Meeting as required under first provision to Section 188	NIL

2. Details of contracts or arrangements or transactions at arm's length basis:

Sl. No.	Particulars	Details			
(a)	Name (s) of the related party	Axis Inc.	Axis EU Europe Limited	Cades Technology Canada Inc.	AXISCADES Aerospace & Technologies Private Limited
	Nature of relationship	Subsidiary	Stepdown Subsidiary	Subsidiary	Fellow subsidiary (intermediate Holding Company until 09 July 2014)
(b)	Nature of contracts/ arrangements/ transaction	Buy & Sale of service / Cross charge transactions	Sale of service / Cross charge transactions	Sale of service/ Cross charge transactions	Sale of service, Cross charge transactions



Sl. No.	Particulars	Details			
(c)	Duration of the contracts/arrangements/ transaction	1. 36 Months from 1st Apr 2013 in respect of sale of services 2. Other transactions on ongoing basis	1. 36 Months from 1st Apr 2013 in respect of sale of services 2. Other transactions on ongoing basis	1. 36 Months from 1st Apr 2013 in respect of sale of services 2. Other transactions on ongoing basis	1. 36 Months from 1st Apr 2013 in respect of sale of services 2. Other transactions on ongoing basis
(d)	Salient terms of the contracts or arrangements or transaction including the value, if any Value of transactions during the year. (Rs.)	Invoices to be raised each month within 10 business days from the end of each month, payable within 60 days.	Invoices to be raised each month within 10 business days from the end of each month, payable within 60 days	Invoices to be raised each month within 10 business days from the end of each month, payable within 60 days	Invoices to be raised each month within 10 business days from the end of each month, payable within 60 days
	1. Sale of services	15,05,05,483	2,16,18,358	14,20,31,594	4,50,00,000
	2. Travel Expenses incurred	13,17,711	3,46,976	1,02,27,899	1,30,25,683
	3. Travel Expenses recovered	23,33,841	5,21,813	1,34,15,549	1,40,03,022
	4. Software subscription charges	1,41,06,977			
	5. Project consultancy charges	16,99,214			
	6. Salaries, wages and bonus recovered / staff welfare expense	8,08,523		47,30,497	
(e)	Date of approval by the Board/Audit Committee (in respect of contract of sale of services)	The transactions were in the ordinary course of business and at arm's length basis.			
(f)	Amount paid as advances, if any	NIL	NIL	NIL	NIL

For and on behalf of the Board

-sd-

Valmeekanathan S.
CEO & Director

-sd-

Kedarnath Choudhury
Director

-sd-

Kaushik Sarkar
CFO

Date: August 12, 2015

Place: Bengaluru

ANNEXURE II - Statement containing salient features of the financial statement of subsidiaries/associate companies/ joint ventures.

(Pursuant to first proviso Sub Section (3) of Section 129 of the Companies Act, 2013 read with Rule 5 of the Companies (Accounts) Rules 2014 (AOC -1)

SI No	Particulars	Name of the subsidiary				
		Axis Inc. (USA)	Axis EU Europe Limited (UK)	Axis Mechanical Engineering Design (Wuxi) Co. Ltd. (China)	Cades Technology Canada Inc. (USA)	Cades Studec Technologies India Private Limited (India)
		Rs	Rs	Rs	Rs	Rs
1	Financial period ended	31-Mar-15	31-Mar-15	31-Mar-15	31-Mar-15	31-Mar-15
2	Reporting currency and Exchange rate	62.5908	92.4591	10.0974	49.1407	
	2.1 Reporting Currency	USD	GBP	RMB	CAD	INR
	2.2 Exchange Rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	62.5908	92.4591	10.0974	49.1407	NA
3	Share capital	140,655,736	53,207,993	4,548,632	4,914	6,250,000
4	Reserves & surplus	63,660,852	11,232,671	(5,248,088)	91,808,414	84,974,186
5	Total assets	259,356,121	87,717,520	1,162,694	175,737,025	108,517,965
6	Total Liabilities	259,356,121	87,717,520	1,162,694	175,737,025	108,517,965
7	Investments	71,918,770	-	-	-	-
8	Turnover	860,210,964	256,183,537	-	313,480,457	150,296,569
9	Profit before taxation	8,758,831	2,819,310	(1,182,507)	74,803,977	24,486,415
10	Provision for taxation	194,282	482,267	-	20,543,400	7,996,745
11	Profit after taxation	8,564,550	2,337,043	(1,182,507)	54,260,576	16,489,670
12	Proposed Dividend	-	-	-	-	-
13	% of shareholding	100%	100% Subsidiary of Axis Inc.	100%	100%	76%

The Company does not have any associate or Joint Venture Company.

Subsidiary's performance and financial position:

1. Axis Inc: There is a small degrowth of revenue by approximate 7% Y-O-Y due to Market condition in which it operates. However, the EBITDA increased by 319% and PAT by 172% as compared to the previous year due to cost rationalisation.
2. Axis EU Europe Ltd: The revenue degrown by 11.3% Y-O-Y due to Local Market condition. The profit was lower by 88%,.
3. CADES Technology Canada Inc: The revenue grew by 90% as compared to previous year due to continued growth in services offered to one of major clients in Canada. The profit grew by 100% in the same period.
4. Cades Studec: The Revenue , Profit before and after tax has shown positive growth on Y-O-Y basis.
5. Axis China: The Company is yet to commence its operations.
6. No subsidiary has been liquidated or sold during the year.

For and on behalf of the Board

-sd-
Valmeekanathan S.
CEO & Director

-sd-
Kedarnath Choudhury
Director

-sd-
Kaushik Sarkar
CFO

-sd-
Shweta Agrawal
Company Secretary

Date: August 12, 2015
Place: Bengaluru

ANNEXURE III

Details under section 197(12) of the Companies Act, 2013 read with Rules 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

Rate	Particulars				
(i)	The ratio of remuneration of each Director to the median remuneration of the employees of the Company for the financial year	a.	Valmeekanathan S	21.12:1	
		b.	Kaushik Sarkar	12.52:1	
(ii)	The percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary in the Financial Year	a.	Valmeekanathan S	NIL	
		b.	Kaushik Sarkar	Not Applicable	
		c.	Shweta Agrawal	21%	
(iii)	The percentage increase in the median remuneration of employees in the financial year.	9.72%			
(iv)	The number of permanent employees on the rolls of the company	1000			
(v)	The explanation on the relationship between average increase in remuneration and company performance.	The average increase is based on industry comparatives, business growth, and geared to attract, motivate and retain the highly skilled employees who are the key drivers of our success and helps the Company to retain its industry competitiveness. The increases are also designed to reflect the performance of the individual, the team and the Company.			
(vi)	Comparison of the remuneration of the Key Managerial Personnel against the performance of the Company (on standalone basis)	a.	% Increase in Revenue from Operations in 2014 -15 as compared to 2013 -14	4.06%	
		b.	% Increase in PAT in 2014 -15 as compared to 2013 -14	38.04%	
		c.	% Increase in EBIDTA in 2014 -15 as compared to 2013 -14	44.21%	
		For comparison purpose the percentage increase in remuneration of KMP is given in Rule no. (ii) above.			
(vii)	Variations in the market capitalization of the Company, price earnings ratio as at the closing date of the current financial year and previous financial year and percentage increase over decrease in the market quotations of the shares of the company in comparison to the rate at which the company came out with the last public offer.	Financial Year ended	Closing share Price (BSE)	Market capitalization (Rs. Crores)	Price Earning Ratio
		31.03.2014	44.45	88.72*	14.73
		31.03.2015	337.40	917.37	75.17
		Closing share price as on 31 March 2015 was Rs.337.40. The Company's offer price during its public issue in 2001 was Rs. 81. *Market Capitalization has been computed based on premerger outstanding shares.			



(viii)	Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration.	<p>9.11% (excluding managerial personnel)</p> <p>10.04% (including managerial personnel)</p> <p>This is based on Remuneration Policy of the Company that rewards people based on their contribution to the success of the company and to ensure that the salaries are competitive to the peers in each geography that we operate in.</p>				
(ix)	Comparison of the each remuneration of the Key Managerial Personnel against the performance of the Company.	<p>Name of the KMP</p>	<p>% increase in Remuneration in 2014-2015 as compared to 2013-2014</p>	<p>% increase in Net Sales in 2014-2015 as compared to 2013- 2014</p>	<p>% increase in PAT 2014-15 as compare to 2013-2014</p>	<p>% Increase in EBIDTA in 2014-15 as compared to 2013-2014</p>
		Valmeekanathan S	NIL (on annualized basis)	4.06%	38.04%	44.21%
		Kaushik Sarkar	Not Applicable			
		Shweta Agrawal	21%			
(x)	The Key Parameters for any variable component of remuneration availed by the Directors	<p>The key parameters are achieving targets w.r.t.</p> <p>a) Consolidated revenue in USD & INR terms</p> <p>b) EBIDTA</p> <p>c) Operating matrices</p>				
(xi)	The ratio of the remuneration of the highest paid Directors to that of the employees who are not Directors but receive remuneration in excess of the highest paid Director during the year.	Not Applicable				
(xii)	It is hereby affirmed that the remuneration is as per the Remuneration Policy of the Company.					

ANNEXURE IV - Statement showing the details of Employees of the Company as per Rule 5(2) of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014:

Employed throughout the financial year with an aggregate of Rs. 60 lacs and above

Name of the Employee	Designation of the Employee	Remuneration received during the year	Qualification	Experience in years	Date of commencement of employment	Age	Last employment held by the employee
Srinivasulu Reddy Pulikam	Senior Vice President	72,79,892	'M.TECH	21	07-08-2009	46	Mahindra Satyam (Asst. Vice President)
Valmeekanathan S	Executive Director	1,15,80,000	BE (Hons) in Mechanical Engineering	30	25-02-2014	51	Independent Consulting (Consultant)
A VISWESWARA RAO	VP & Head - HR	60,02,460	MBA	20	16-04-2012	46	British India Pvt Ltd (Head - HR)
Sathyajith Thuppalay	General Manager	1,04,25,804	'B.Tech	17	19-01-2006	38	Infosys Technologies (Senior Design Engineer)
Oliver Brotzki	General Manager	79,47,424	Graduated mechanical engineer	18	20-01-2012	46	3D Contech (Branch Manager)
Marc Bouzaid	Head of BU Engineering Services	71,99,293	B.Tech	10	08-03-2013	32	Teccon Design and Engineering (Manager)

Employed for part of the year with an average salary of 5 lac per month or and above.

Kaushik Sarkar	Chief Financial Officer	39,57,244	Masters of Commerce, FCA and ACMA	20	12-09-2014	45	Adobe Systems India (Senior Director Finance & Operations)
----------------	-------------------------	-----------	-----------------------------------	----	------------	----	--

Notes:

1. Nature of employment: All the above are in regular employment of the Company.
2. Remuneration includes company's contribution to P.F. and other funds as per Company policy and House Rent Allowance, etc., wherever applicable.
3. None of the above holds any shares in the Company.
4. None of the above employees is related to a Director.

For and on behalf of the Board

-sd-
Valmeekanathan S.
 CEO & Director

-sd-
Kedarnath Choudhury
 Director

-sd-
Kaushik Sarkar
 CFO

Date: August 12, 2015
 Place: Bengaluru



ANNEXURE V (i)

NOMINATION AND REMUNERATION POLICY

Introduction:

The Company is a Service Industry and therefore Company's policy strives to consider human resources as its invaluable assets, to pay equitable remuneration to all Directors, Key Managerial Personnel (KMP) and employees of the Company.

In terms of the provisions of the Companies Act, 2013 and the listing agreement as amended from time to time, the Nomination and Remuneration Committee has formulated this policy on nomination and remuneration of Directors, Key Managerial Personnel and Senior Management (if any) and the same is approved by the Board of Directors.

Objective:

- To lay down criteria with regard to identifying persons who are qualified to become Directors (Executive, Non-Executive and Independent) and persons who may be appointed in Senior Management and Key Managerial positions.
- Formulating Policy for remuneration for the Directors / KMPs and SMPs
- To carry out evaluation of the performance of Directors, as well as Key Managerial and Senior Management Personnel.
- Recommending appointment and removal of Directors, KMPs and SMPs

In order to achieve the aforesaid objectives the following policy has been formulated by the Nomination and Remuneration Committee and adopted by the Board of Directors at its meeting held on 23rd June 2014. The revised policy was adopted on 9th September 2014.

Effective Date:

This policy shall be effective from 1st April, 2014.

Constitution of the Nomination and Remuneration Committee:

The Board has renamed its Remuneration Committee as

Nomination and Remuneration Committee on 27th March, 2014. The Nomination and Remuneration Committee comprises of following Directors:

- Mr. Srinath Batni (Independent Director)
- Mr. Pradeep Dadlani (Independent Director)
- Mr. Kedarnath Choudhury (Non Executive Director)
- Mr. Amit Gupta (Non Executive Director)
- Ms. Shweta Agrawal (Secretary)

The Board has the power to reconstitute the Committee consistent with the applicable statutory requirements.

Applicability:

The Policy is applicable to

- Directors (Executive and Non Executive)
- Key Managerial Personnel
- Senior Management Personnel (if any)

General

- This Policy is divided in three parts: Part – A covers the matters to be dealt with and recommended by the Committee to the Board, Part – B covers the appointment and nomination and remuneration, PART – C covers proceedings of the Committee meetings.
- The key features of this Company's policy shall be included in the Board's Report.

PART – A

MATTERS TO BE DEALT WITH AND RECOMMENDED TO THE BOARD BY THE NOMINATION AND REMUNERATION COMMITTEE

The Committee shall:

- Formulate the criteria for determining qualifications, positive attributes and independence of a director.
- Identify persons who are qualified to become Director and persons who may be appointed in Key Managerial and Senior Management positions in accordance with the criteria laid down.
- Recommend to the Board, appointment of Director, KMP and Senior Management Personnel.
- Performance Evaluation of each Director KMP and Senior



Management Personnel for the purpose of appraisal or removal/ replacement.

- Policy for Remuneration for Director, KMP and Senior Management Personnel.
- Monitor the Board Diversity and balanced Board.
- Succession planning - recommends to the Board from time to time on long term succession plan and also contingency plan in case of exigencies, relating to both Board as well as Executive management.
- Retirement Policy - The Retirement age of the Directors is fixed by the Board of Directors in consultation with the Nomination & Remuneration Committee.

PART – B

POLICY FOR APPOINTMENT AND REMOVAL & REMUNERTAIION OF DIRECTOR, KMP AND SENIOR MANAGEMENT

• Appointment criteria and qualifications:

1. The Committee shall identify and ascertain the qualification, expertise, attributes and experience of the person for appointment as Director, KMP or at Senior Management level and recommend to the Board his / her appointment.

2. For Recommending any person as Executive Director the Committee shall take into consideration the provisions of the Companies Act, 2013 read together with the Rules prescribed there under and Schedule V.

3. For recommending any person as Non-Executive Director/ Independent Director the Committee shall take into consideration the provisions of the Companies Act, 2013 read together with the Rules prescribed there under and Schedule IV along with the criteria for independence defined under Listing Agreement.

• The Committee shall carry out evaluation of performance of every Director, KMP and Senior Management Personnel at regular interval (yearly).

• Due to reasons for any disqualification mentioned in the Companies Act, 2013, rules made there under or under any other applicable Act, rules and regulations or on the basis of performance evaluation, the Committee

may recommend, to the Board with reasons recorded in writing, removal / replacement of a Director, KMP or Senior Management Personnel subject to the provisions and compliance of the said Act, rules and regulations.

• The Non- Executive / Independent Director may receive remuneration by way of fees for attending meetings of Board or Committee thereof. Provided that the amount of such fees shall not exceed Rs. One lakh per meeting of the Board or Committee or such amount as may be prescribed by the Central Government from time to time.

• An Independent Director shall not be entitled to any stock option of the Company.

PART – C

COMMITTEE PROCEEDINGS

• The Chairman of the Committee will report to the Board (at the next Board meeting) on the proceedings of each Committee meeting, bringing forward all Committee recommendations requiring Board approval.

• The Secretary will: (a) in conjunction with the Chairman of the Committee, settle agendas for and arrange meetings of the Committee so as to ensure timely coverage of all the Committee's business; (b) distribute agendas and supporting papers to Committee members sufficiently far in advance of scheduled meetings to permit adequate preparation; (c) keep and distribute minutes of each meeting to Committee members; and (d) circulate copies of the minutes to the remaining Board members upon request.

• The quorum for a meeting of the Committee will be a majority of the members and include at least one Independent Director.



ANNEXURE V (ii)

POLICY FOR EVALUATION OF PERFORMANCE OF THE BOARD OF DIRECTORS OF AXISCADES ENGINEERING TECHNOLOGIES LIMITED (AXISCADES).

POLICY FOR EVALUATION OF THE PERFORMANCE OF THE BOARD OF DIRECTORS OF AXISCADES

1. INTRODUCTION:

AXISCADES (hereinafter referred to as “the Company”) believes in conducting its affairs in a fair and transparent manner by adopting the highest standards of professionalism, honesty, integrity and ethical behaviour, in consonance with the Company’s Code of Conduct policy for its employees and also for the Board of Directors. The honesty, integrity and sound judgement and performance of the Directors and the Senior Management are key criteria for the success and for building a good reputation of the Company.

Each Director and executive in the Senior Management is expected to comply with the letter and spirit of this Policy. Apart from this Code, The Code of Conduct for Directors/ Employees shall also be applicable, additionally and specifically to the Senior Management of the Company Mutatis Mutandis. Any actual or potential violation of these Codes by the Board Directors would be the matter of serious concern for the Company.

Therefore, the Company has made this policy to comply with various provisions under the clause 49 of the Listing Agreement entered into by the Company and Stock Exchanges in India as per the SEBI Regulations published vide its Circular No. CIR / CFD / POLICY CELL / 2 / 2014 dated April 17, 2014 as amended and published vide its Circular No. CIR/CFD/POLICY CELL/7/2014 dated September 15, 2014 and also the formal annual evaluation made by the Board of Directors of its own performance (self-appraisals) and that of its committees and individual Directors as mentioned under the clause (p) of sub-section (3) of Section 134 of the Companies Act, 2013. The Nomination & Remuneration Committee shall evaluate the performance of the each Board of Director as per subsection (2) of Section 178 and based on the functions of the Board of Directors as indicated under Schedule IV

(as per section 149) annexed to the Companies Act, 2013 and the Rules made there under.

2. DEFINITIONS:

A. “the Act”:

The Act shall mean The Companies Act, 2013;

B. “the Company”:

The Company shall mean ACETL

C. “the Director” or “the Board”:

The Director or the Board, in relation to the Company, shall mean and deemed to include the Collective body of the Board of Directors of the Company including the Chairman of the Company.

D. “the Independent Director”:

The Independent Director shall mean an Independent Director as defined under section 2 (47) to be read with section 149 (5) of the Act. E. “the Policy” or “this Policy”:

The policy or This Policy shall mean the Policy for Evaluation of performance of Board of Directors of the Company.

F. “the Committee” or “this Committee”:

The Committee or This Committee shall mean the Nomination and Remuneration Committee (NRC) of the Board of Directors formed under the provisions of Section 178 of Companies Act, 2013.

3. OBJECTIVE:

The Object of this policy is to formulate the procedures and also to prescribe and lay down the criteria to evaluate the performance of the entire Board of the Company.

4. VARIOUS KINDS OF PERFORMANCE EVALUATION:

A. EVALUATION SYSTEM:

Evaluation of each Director of the Company shall be based on the criteria as mentioned herein below read together with those listed under clause 6 of this policy. This appraisal is mandatory and will be done under the provision of the clause (p) of subsection (3) of Section 134.

CRITERIA FOR EVALUATION:

Criteria's of Performance Evaluation	Sub-Criteria's of Evaluation of Performance
Based on Job Profile	1. Knowledge of the Job Profile 2. Skills required to perform or to execute the job profile
Based on Responsibilities & Obligations	1. Attendance and participations in the Meetings 2. Expert opinions in respect of the serious issues
Based on Strategies	1. Strategies formulated and successfully implemented 2. Various Directions provided in the best interest of the Company on key issues
Based on Performance Management	1. Performance of the Company on the Stock Exchanges 2. Financial Performance 3. Achievement of Award
Based on Risk Management	1. Avoidance of High Financial Risk while executing the functions and duties 2. Avoidance from any other high risk
Based on Mergers & Acquisitions	1. Number of Mergers & Acquisitions targets spotted and taken place 2. Success rate in executing M&A
Based on Talent Management	1. Achievement in respect of Successful Negotiations 2. The level of Talent retained at Low, Mid and Top Level
Based on Core Governance & Compliance Management	1. Review of Detailed Compliances applicable under the various Laws, Rules & Regulations 2. Reviewing Whether the Business is running Legally or not
Based on Annual Targets	1. Targets achieved in Domestic & International Sales & Marketing
Based on Expansion & Diversification	1. New successfully executed vertical 2. New successfully executed practice /Service lines f



Criteria's of Performance Evaluation	Sub-Criteria's of Evaluation of Performance
Based on Succession Planning	1. Provision for Additional or Alternate Directors
Based on Conflict of Interest Management	1. Strategy to resolve the conflict of interest in other Directors 2. Strategy to resolve the conflict of interest in other Employees
Based Financial & Operational Control Mechanism	1. Control on Financial Dealings 2. Control on internal Operational Control and efficiencies
Based on maintaining of Corporate Culture and Moral Values	1. Initiative to maintaining Corporate Culture of the Company 2. Initiative to maintaining Moral Values of the Company
Based on Maintaining High Level of Integrity and Ethics	1. Initiative to maintaining High level of Integrity 2. Initiative to maintaining High level of Ethics
Based on Compliance with the Code of Conduct of Directors	1. Functioning of Duties and Responsibilities as per the Code of Conduct for Directors 2. Abidance and behaviour in accordance with Code of Conduct for Directors
Based on the in general knowledge & Skills	1. Knowledge of the industry in which company operates 2. Skills required for carrying out Business Activities in the field of Engineering Design Space 3. Communication skills and quick responsiveness

B. EVALUATION OF THE PERFORMANCE OF EACH DIRECTOR, BOARD AND IT'S COMMITTEES:

The Committee shall evaluate the performance of each Board of Directors of the Company with reference of the authority under the Nomination and Remuneration Policy of the Company framed in accordance with the provisions of section 178 of the Companies Act, 2013 and based on their functions as mentioned in the Code of Conduct of the Directors and the criteria for the evaluation of the performance as prescribed in the clause 6 of this policy.

Based on the performance evaluation of each and every Director and the Chairman of the Company, the Committee shall provide comprehensive evaluation outcome considering various criteria and sub-criteria. The detailed process of evaluation thereon are mentioned in this policy respectively

The Board shall take up the evaluation of:

- The whole Board (on the basis of criteria laid by the Committee),



- All the Committees and
- Each director (taking into consideration the results of evaluation by NRC).

C. EFFECTIVENESS OF THE BOARD:

Taking into consideration the evaluation by the Nomination & Remuneration Committee & Board, of each Director, the overall effectiveness of the Board shall be measured and accordingly the Board shall decide the Appointments, Re-appointments and Removal of the non-performing Directors of the Company on the recommendation of the Committee.

5. SEPARATE MEETING FOR EVALUATION OF PERFORMANCE OF BOARD, ITS MEMBERS & COMMITTEES:

The meeting for the purpose of evaluation of performance of Board, its Members and Committees, shall be held at least once in a year and the Company shall disclose the criteria laid down by the Nomination and Remuneration Committee for performance evaluation, duly adopted by the Board in the Annual Report of the Company.

6. CRITERIA FOR EVALUATION OF PERFORMANCE:

The Nomination and Remuneration Committee has laid down the criteria for evaluation of performance of Directors and the Board and its committees thereof

Criteria for evaluation of Individual Director

1. Attendance and contribution at Board and Committee meetings
2. His/her stature, appropriate mix of expertise, skills, behaviour, experience, leadership qualities, sense of sobriety and understanding of business, strategic direction to align company's value and standards.
3. His/her knowledge of the industry, finance, accounts, legal, investment, marketing, foreign exchange/ hedging, internal controls, risk management, assessment and mitigation, business operations, processes and Corporate Governance.
4. His/her ability to create a performance culture that drives value creation and a high quality of debate with robust and probing discussions.
5. Effective decisions making ability to respond positively and constructively to implement the same to encourage more transparency.

6. Open channels of communication with executive management and other colleague on Board to maintain high standards of integrity and probity.
7. Recognize the role which he/she is expected to play, internal Board Relationships to make decisions objectively and collectively in the best interest of the Company to achieve organizational successes and harmonizing the Board.
8. His/her global presence, rational, physical and mental fitness, broader thinking, vision on corporate social responsibility etc.
9. Quality of decision making on understanding financial statements and business performance, raising of finance, best source of finance, working capital requirement, forex dealings, geopolitics, human resources etc.
10. His/her ability to monitor the performance of management and satisfy himself with integrity of the financial controls and systems in place by ensuring right level of contact with external stakeholders.
11. His/her contribution to enhance overall brand image of the Company.

Criteria for evaluation of whole Board & Committee

1. Board/Committee constitution and composition, its diversity in terms of skills, experience, gender, age, qualification, nature of job.
2. Effectiveness of discussion and taking objective decision on the agendas
3. Effectiveness of processes, participation, flow of information, recording of votes, familiarisation, attendance.
4. Ensure adequate protection to shareholders rights
5. Compliance with relevance laws through appropriate system of control.
6. Board's / Committee's focus

7. PROCEDURE TO EVALUATE THE PERFORMANCE:

Based on evaluation criteria, the Nomination & Remuneration Committee and the Board shall evaluate the performance of the each and every Director.

Based on the performance, the Board can decide the strategy to extend or continue the term of appointment or to introduce new candidate as a member of the Board or Retirement of the member based on his/her performance rating as to create and maintain the most effective and powerful top level management of the Company for its future growth, expansion, diversification and also to maximize the returns on investments to the stakeholders of the Company.



ANNEXURE VI

FORM MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2015

[Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]

To,
The Members,
AXISCADES Engineering Technologies Limited
A-264, Second Floor
Defence Colony
New Delhi - 110024

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by AXISCADES Engineering Technologies Limited (formerly known as Axis IT & T Limited) (hereinafter called "the company"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of AXISCADES Engineering Technologies Limited's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of the Secretarial Audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2015 complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by AXISCADES Engineering Technologies Limited for the financial year ended on 31st March, 2015 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;

(iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;

(iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;

(v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-

(a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

(b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;

(c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;

(d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;

(e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;

(f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;

(g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and

(h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;

I further report that, having regard to the compliance system prevailing in the Company and on examination of the relevant documents and records in pursuance thereof,

on test-check basis, the Company has complied with the following laws applicable specifically to the Company:

- (vi) The Special Economic Zone Act, 2005
- (vii) The Information Technology Act, 2000
- (viii) Software Technology Parks of India its Rules and regulations
- (ix) The Indian Copyright Act, 1957
- (x) The Patents Act, 1970
- (xi) The Trade Marks Act, 1999

We have also examined compliances with the applicable clauses of the following:

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India.
- (ii) The Listing Agreements entered into by the Company with The BSE Limited (BSE) and the National Stock Exchange of India Limited (NSE).

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above subject to the following observations:

The Secretarial Standards issued by the Institute of Company Secretaries of India will be mandatory from 1st July, 2015 and were not applicable during the audit period.

We further report that:

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decision is carried through while the dissenting

members' views, if any, are captured and recorded as part of the minutes.

We further report that there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the audit period:

1. The Board of Directors of the Company at its meeting held on July 09, 2014, has allotted 72,29,112 (Seventy Two Lacs Twenty Nine Thousand One Hundred and Twelve Only) Equity shares of the Company to the Shareholders (as on the record date i.e. April 11, 2014) of Cades Digitech Private Limited as per the swap ratio mentioned below, approved in terms of the Scheme of Arrangement:

10 ("Ten") fully paid up equity share of Rs. 5/- each of Axis-IT&T Ltd. for every 12 ("Twelve") fully paid up equity share of Rs. 10/- each held in Cades Digitech Private Limited.

2. The Company has got approval from the Registrar of Companies, NCT of Delhi & Haryana, for the change of its name from "Axis-IT&T Limited" to "AXISCADES Engineering Technologies Limited" with effect from August 01, 2014.

3. The Company has entered into strategic alliance by signing an MOU with ASSYSTEM on 18th February, 2015 at the Aero India 2015, Bengaluru for collaboration to deliver enhanced values to Airbus Group.

4. The Board of Directors of the Company at its meeting held on March 30, 2015, has approved the change in the current location of its Registered Office from "A-264, Defence Colony, New Delhi-110024" To "Block C, Second Floor, Kirloskar Business Park, Bengaluru-560 025 in the State of Karnataka", the same will have effect from the date of issue of fresh Certificate of Incorporation.

FOR ANANT B KHAMANKAR & CO.

-sd-
ANANT KHAMANKAR

FCS No. - 3198
CP No. - 1860

PLACE: Mumbai
DATE: 16th May, 2015



ANNEXURE VII

FORM NO. MGT 9

EXTRACT OF ANNUAL RETURN

AS ON FINANCIAL YEAR ENDED ON 31.03.2015

[Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the Company (Management & Administration) Rules, 2014.]

I. REGISTRATION & OTHER DETAILS:

i	CIN	L72200DL1990PLC041275
ii	Registration Date	41275
iii	Name of the Company	AXISCADES Engineering Technologies Limited (formerly Axis-IT&T Ltd.)
iv	Category/Sub-category of the Company	Public Company/Limited by Shares
v	Address of the Registered office & contact details	A-264 Second Floor Defence Colony New Delhi- 110024 Tel-011 24337881 Fax:011 41552616
vi	Whether listed company	Listed
vii	Name, Address & contact details of the Registrar & Transfer Agent, if any.	Karvy Computershare Private limited Karvy Selenium Tower B, Plot 31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad – 500 032. Board no: 040-67162222

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

SL No	Name & Description of main products/ services	NIC Code of the Product /service	% to total turnover of the company
1	Engineering Design Services 620		100%

**III PARTICULARS OF HOLDING , SUBSIDIARY & ASSOCIATE COMPANIES**

SI No	Name & Address of the Company	CIN/GLN	HOLDING/ SUBSIDIARY/ ASSOCIATE	% OF SHARES HELD	APPLICABLE SECTION
1	Axis Inc. 3008 W. Willow Knolls Dr. Peoria, Illinois 61614-USA	NA	Subsidiary	100%	Section 2(87)(ii)
2	Axis EU Europe Limited (UK) The Pump House, Unit 15, Narborough Wood Park, Enderby, Leicestershire, LE19 4XT, UK	NA	Stepdown subsidiary	100% subsidiary of Axis Inc.	Section 2(87)(ii)
3	Axis Mechanical Engineering Design (Wuxi) Co. Ltd. Room 508-510, C Building, Chuangxin Chyangyi Industrial Park, No.5 Xinhua Rd, Wuxi New District Wuxi City, CHINA	NA	Subsidiary	100%	Section 2(87)(ii)
4	Cades Technology Canada Inc. (USA) 1200 McGill College Avenue, Suite 1100, Montreal, Quebec H3B 4G7	NA	Subsidiary	100%	Section 2(87)(ii)
5	Cades Studec Technologies (India) Private Limited No.11, 3rd Cross, Ganganagar North, Bengaluru-560032	U72900KA2006PTC049241	Subsidiary	76%	Section 2(87)(ii)
6	Jupiter Capital Private Limited No.54, Richmond Road, Jupiter Innovision Center, Bengaluru-560025	U67120KA2004PTC033653	Holding	0.87%	Section 2(46) &Section 2(87)(ii)
7	Tayana Digital Private Limited No.54, Richmond Road, Jupiter Innovision Center, Bengaluru-560025	U72900KA2008PTC045597	Subsidiary of Holding	44.66%	Section 2(87)(ii)
8	Indian Aero Ventures Private Limited No.54, Richmond Road, Jupiter Innovision Center, Bengaluru-560025	U62200KA2007PTC041886	Subsidiary of Holding	13.59%	Section 2(87)(ii)



IV SHAREHOLDING PATTERN (Equity Share capital Break up as % to total Equity)

(i) Category-wise Shareholding

Category of Shareholders	No. of Shares held at the beginning of the year (As on 1 April 2014)				No. of Shares held at the end of the year (As on 31 March 2015)			% change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	
A. Promoters								
(1) Indian								
a) Individual/HUF								
b) Central Govt. or State Govt.								
c) Bodies Corporates	12142100	-	12142100	60.83	16074513	1.00	16074514	59.12
d) Bank/FI								
e) Any other								
SUB TOTAL:(A) (1)	12142100	-	12142100	60.83	16074513	1.00	16074514	59.12
(2) Foreign								
a) NRI- Individuals								
b) Other Individuals								
c) Bodies Corp.								
d) Banks/FI								
e) Any other...								
SUB TOTAL (A) (2)	-	-	-	-	-	-	-	-
Total Shareholding of Promoter (A)= (A)(1)+(A)(2)	12,142,100	-	12142100	60.83	16074513	1	16074514	59.12
B. PUBLIC SHAREHOLDING								
(1) Institutions								
a) Mutual Funds	-	-	-	-	12506	-	12506	0
b) Banks/FI	-	-	-	-	34819	-	34819	0
c) Central govt								
d) State Govt.								
e) Venture Capital Fund								
f) Insurance Companies								
g) FIIS								
h) Foreign Venture Capital Funds								
i) Others-Foreign Institutional Investors*	-	-	-	-	545635	-	545635	2.01
SUB TOTAL (B)(1):	-	-	-	-	592960	-	592960	2.18
(2) Non Institutions								
a) Bodies corporates	2827956	-	2827956	14.17	3403557	-	3403557	12.52
i) Indian								
ii) Overseas								
b) Individuals								
i) Individual shareholders holding nominal share capital upto Rs.1 lakhs	2245216	44169	2289385	11.47	3045571	47790	3,093,361	11.38
ii) Individuals shareholders holding nominal share capital in excess of Rs. 1 lakhs	2649447	-	2649447	13.27	3474265	-	3474265	12.78
c) Others (specify)								
Non Resident Indian	47208	-	47208	0.24	166175	-	166175	0.61
Clearing Member	3385	-	3385	0.02	311244	-	311244	1.14
Trusts	1000	-	1,000	0.01	73517	-	73517	0.27
SUB TOTAL (B)(2):	7774212	44169	7818381	39.17	10474329	47790	10522119	38.70
Total Public Shareholding (B)= (B)(1)+(B)(2)	7774212	44169	7818381	39.17	11067289	47790	11115079	40.88
C. Shares held by Custodian for GDRs & ADRs								
	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	19916312	44169	19960481	100	27141802	47791	27189593	100

* Including One Portfolio Investor (FPI) holding 45635 Equity Shares



(ii) SHARE HOLDING OF PROMOTERS

SI No.	Shareholders Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in share holding during the year
		No. of shares	% of total shares of the company	% of shares pledged encumbered to total shares	No. of shares	% of total shares of the company	% of shares pledged encumbered to total shares	
1	TAYANA DIGITAL PRIVATE LIMITED	12142100	60.83		12142100	44.66	0	
2	INDIAN AERO VENTURES PRIVATE LIMITED	0	0	0	3696236	13.59	0	
3	JUPITER CAPITAL PRIVATE LIMITED	0	0	0	236178	0.87	0	
Total		12142100	60.83		16074514	59.12	0	

(iii) CHANGE IN PROMOTERS' SHAREHOLDING

S.No.	Shareholders Name	Share holding at the beginning of the Year		Cumulative Share holding during the year		
		No. of Shares	% of total shares of the company	No of shares	% of total shares of the company	
01	TAYANA DIGITAL PRIVATE LIMITED	Share holding at the beginning of the Year		Cumulative Share holding during the year		
		At the beginning of the year 1 April 2014	12142100	60.83	12142100	44.66
		Date wise increase/decrease in Promoters Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc)	0	0	0	0
	At the end of the year 31 March 2015	12142100	60.83	12142100	44.66	
02	INDIAN AERO VENTURES PRIVATE LIMITED	Share holding at the beginning of the Year		Cumulative Share holding during the year		
		At the beginning of the year 1 April 2014	0	0	0	0.00
		09.07.2014(Allotment Pursuant to the scheme of Arrangement)	3696236	13.59	3696236	13.59
		At the end of the year 31 March 2015	3696236	13.59	3696236	13.59
03	JUPITER CAPITAL PRIVATE LIMITED	Share holding at the beginning of the Year		Cumulative Share holding during the year		
		At the beginning of the year 1 April 2014	0	0	0	0.00
		09.07.2014(Allotment Pursuant to the scheme of Arrangement)	3,498,929	12.87%	3498929	12.87%
		20.03.2015 (Market Sale)	(112526)	-0.40%	3386403	12.45%
		23.03.2015 (Market Sale)	(97015)	-0.36%	3289388	0.12
		24.03.2015 (Market Sale)	(975000)	-3.59%	2314388	8.51%
		25.03.2015 (Market Sale)	(2065459)	-7.60%	248929	0.92%
		26.03.2015 (Market Sale)	(12751)	-0.05%	236178	0.87%
	At the end of the year 31 March 2015	236178	0.87%	236178	0.87%	

(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters & Holders of GDRs & ADRs)

SI. No		Shareholding at the beginning of the year		Cumulative Shareholding during the year		
		No. of shares	% of total shares of the company	No of shares	% of total shares of the company	
01	YUKTI SECURITIES (P) LTD					
	At the beginning of the year 1 April 2014	1172208	5.87	1172208	5.87	
	25.03.2015 (Market Sale)	(600000)	2.10	572208	2.10	
	At the end of the year 31 March 2015	572208	2.10	572208	2.10	
02	ALCHEMY INDIA LONG TERM FUND LTD					
	At the beginning of the year 1 April 2014	0	0	0	0	
	27.03.2015(Market Purchase)	500000	1.84	500000	1.84	
	At the end of the year 31 March 2015	500000	1.84	500000	1.84	
03	SARAH FAISAL HAWA					
	At the beginning of the year 1 April 2014	431608	2.16	431608	2.16	
	25.07.2014(Purchase of Shares)	3000				
	08.08.2014 (Sale of Shares)	(3000)		434608		
	31.12.2014(Purchase of Shares)	3000				
	At the end of the year 31 March 2015	434608	1.60	434608	1.60	
04	FAISAL ZUBAIR HAWA					
	At the beginning of the year 1 April 2014	428815	2.15	428815	2.15	
	25.07.2014 (Purchase of Shares)	1000				
	19.09.2014(Purchase of Shares)	4925				
	14.11.0214 (Sale of Shares)	(10000)				
	21.11.2014(Purchase of Shares)	10000				
	12.12.2014(Sale of Shares)	(10000)				
	19.12.2014(Purchase of Shares)	7000				
	06.02.2015(Sale of Shares)	(4500)				
	13.02.2015(Sale of Shares)	(10000)				
	20.02.2015 (Sale of Shares)	(7600)		409640	1.51	
	At the end of the year 31 March 2015	409640	1.51	409640	1.51	
	05	ASHISH KACHOLIA				
		At the beginning of the year 1 April 2014	0	0	0	0
31.03.2015 (Purchase of Shares)		375000	1.38	375000	1.38	
At the end of the year 31 March 2015		375000	1.38	375000	1.38	
06	NARENDRA KUMAR AGARWAL					
	At the beginning of the year 1 April 2014	0	0	0	0	
	31.03.2015(Purchase of Shares)	375000	1.38	375000	1.38	
	At the end of the year (or on the date of separation, if separated during the year)	375000	1.38	375000	1.38	
07	SAM FINANCIAL SERVICES PVT.LTD					
	At the beginning of the year	411618	2.06	411618	2.06	
		0		0	0.00	
	At the end of the year 31 March 2015	411618	1.51	411618	1.51	
08	AJAY DILKUSH SARUPRIA					
	At the beginning of the year 1 April 2014	336747	1.69	336747	1.69	
		0	0	0		
	At the end of the year 31 March 2015	336747	1.24	336747	1.24	
09	EDELWISE SECURITIES LTD.					
	At the beginning of the year 1 April 2014	0	0	0	0	
	25.07.2014(Purchase of Shares)	100				
	01.08.2014(Purchase of Shares)	200				
	08.08.2014 (Sale of Shares)	(250)				
	15.08.2014 (Sale of Shares)	(50)				
	21.11.2014(Purchase of Shares)	8830				
	28.11.2014(Purchase of Shares)	8870				
	05.12.2014 (Sale of Shares)	(17700)				
	27.03.2015(Purchase of Shares)	755000				
	31.03.2015(Sale of Shares)	(476425)		278575	1.02	
At the end of the year 31 March 2015	278575	1.02	278575	1.02		
10	PRATHIBA R					
	At the beginning of the year 1 April 2014	396906	1.99	396906	1.99	



SI. No		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
10	PRATHIBA R	No. of shares	% of total shares of the company	No of shares	% of total shares of the company
	At the beginning of the year 1 April 2014	396906	1.99	396906	1.99
	11.07.2014 (Sale of Shares)	(14875)			
	18.07.2014 (Sale of Shares)	(83013)			
	25.07.2014 (Sale of Shares)	(1950)			
	08.08.2014 (Sale of Shares)	(47068)			
	22.08.2014 (Sale of Shares)	(6000)			
	29.08.2014(Purchase of Shares)	7440			
	05.09.2014 (Sale of Shares)	(400)			
	12.09.2014 (Sale of Shares)	(7825)			
	19.09.2014 (Sale of Shares)	(1800)			
	30.09.2014 (Sale of Shares)	(20862)			
	14.11.2014 (Sale of Shares)	(60 479)			
	21.11.2014 (Sale of Shares)	(18483)			
	28.11.2014 (Sale of Shares)	(5875)			
	05.12.2014 (Sale of Shares)	(2200)			
	16.01.2015 (Sale of Shares)	(1400)			
	23.01.2015 (Sale of Shares)	(7965)			
	30.01.2015 (Sale of Shares)	(1661)			
	06.02.2015 (Sale of Shares)	(6584)			
	13.02.2015 (Sale of Shares)	(1213)			
	20.02.2015 (Sale of Shares)	(18214)			
	27.02.2015 (Sale of Shares)	(20717)			
	06.03.2015 (Sale of Shares)	(40583)			
	13.03.2015 (Sale of Shares)	(34379)			
	20.03.2015 (Sale of Shares)	(517)			
	27.03.2015 (Sale of Shares)	(283)			
SI. No	At the end of the year 31 March 2015	0	0	0	0

SI. No		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
11	CHOICE INTERNATIONAL LIMITED	No. of shares	% of total shares of the company	No of shares	% of total shares of the company
	At the beginning of the year 1 April 2014	0	0	0	0
	27.03.2015 (Purchase of Shares)	250000	0.92	250000	0.92
	At the end of the year 31 March 2015	250000	0.92	250000	0.92

SI. No		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
12	DIVYAM TIE UP PRIVATE LIMITED	No. of shares	% of total shares of the company	No of shares	% of total shares of the company
	At the beginning of the year 1 April 2014	220686	1.11	220686	1.11
	At the end of the year 31 March 2015	220686	0.81	220686	0.81

SI. No		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
13	BILKIS ZUBAIR HAWA	No. of shares	% of total shares of the company	No of shares	% of total shares of the company
	At the beginning of the year 1 April 2014	209209	1.05	209209	1.05
	30.05.2014 (Purchase of Shares)	16307			
	06.06.2014 (Purchase of Shares)	3445			
	13.06.2014 (Purchase of Shares)	300			
	20.06.2014 (Purchase of Shares)	900			
	04.07.2014 (Purchase of Shares)	2160			
	01.08.2014 (Purchase of Shares)	3000			
	08.08.2014 (Sale of Shares)	(3000)			
	22.08.2014 (Purchase of Shares)	4000			
	07.11.2014 (Purchase of Shares)	1000			
	09.01.2015 (Purchase of Shares)	4879			
	16.01.2015 (Purchase of Shares)	5121			
	13.02.2015 (Purchase of Shares)	4500			
	31.03.2015 (Sale of Shares)	(10000)		241821	0.89
	At the end of the year 31 March 2015	241821	0.89	241821	0.89

SI. No		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
14	JM FINANCIAL INSTITUTIONAL SECURITIES LIMITED	No. of shares	% of total shares of the company	No of shares	% of total shares of the company
	At the beginning of the year 1 April 2014	160000	0.80	160000	0.80
	23.05.2014 (Sale of Shares)	(11989)			
	30.05.2014 (Sale of Shares)	(18785)			
	13.06.2014 (Sale of Shares)	(24693)			
	20.06.2014 (Sale of Shares)	(9456)			
	30.06.2014 (Sale of Shares)	(33129)			0
	04.07.2014 (Sale of Shares)	(28544)			
	11.07.2014 (Sale of Shares)	(10000)			
	18.07.2014 (Sale of Shares)	(23404)			
	At the end of the year 31 March 2015	0	0	0	



SI. No		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
15	ALKA MITTAL	No. of shares	% of total shares of the company	No of shares	% of total shares of the company
	At the beginning of the year 1 April 2014	155906	0.78	155906	0.78
	11.04.2014 (Sale of Shares)	(4020)			
	06.06.2014 (Sale of Shares)	(5985)			
	20.06.2014 (Sale of Shares)	(28578)			
	30.06.2014 (Sale of Shares)	(44479)	0	0	0
	11.07.2014 (Sale of Shares)	(62979)			
	18.07.2014 (Sale of Shares)	(9865)			
	At the end of the year 31 March 2015	0	0	0	0
		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	For Each of the Directors & KMP	No. of shares	% of total shares of the company	No of shares	% of total shares of the company
	At the beginning of the year 1 April 2014	0	0	0	0
	Date wise increase/decrease in Share holding during the year specifying the reasons for increase/decrease	0	0	0	0
	At the end of the year 31 March 2015	0	0	0	0

V INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment				
	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year 1 April 2014				
i) Principal Amount	321,653,278	77,07,895	NIL	329,361,173
ii) Interest due but not paid			NIL	
iii) Interest accrued but not due	1,774,137	3,111,405	NIL	4,885,542
Total (i+ii+iii)	32,34,27,415	1,08,19,300		334,246,715
Change in Indebtedness during the financial year				
Additions	745,007,026		NIL	745,007,026
Reduction	807,560,740	10,819,300	NIL	818,380,040
Net Change	-62,553,714	-10,819,300		-73,373,014
Indebtedness at the end of the financial year 31 March 2015				
i) Principal Amount	260,873,701		NIL	260,873,701
ii) Interest due but not paid			NIL	
iii) Interest accrued but not due	525,367		NIL	525,367
Total (i+ii+iii)	261,399,068	NIL	NIL	261,399,068



VI REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole time director and/or Manager:

Sl.No	Particulars of Remuneration	Name of the MD/WTD/Manager		Total Amount
1	Gross salary	S. Valmeekanathan	Kaushik Sarkar	
	(a) Salary as per provisions contained in section 17(1) of the Income Tax. 1961.	9,000,000	3,165,500	12,165,500
	(b) Value of perquisites u/s 17(2) of the Income tax Act, 1961	1,080,000	379,860	1,459,860
	(c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961			0.00
2	Stock option			0.00
3	Sweat Equity			0.00
4	Commission as % of profit			0.00
5	Others-Performance based Variable Pay	1,500,000	411,884	1,911,884
	Total (A)	11,580,000	3,957,244	15,537,244
	Ceiling as per the Act	As per Central Govt. approval	In compliance with the provisions of the Companies Act, 2013, and Schedule V	



B. Remuneration to other directors:

Sl.No	Particulars of Remuneration	Name of the Directors				Total Amount
		Vivek Mansingh	Pradeep Dadlani	K.M. Rustagi	Hemant Polvaram	
1	Independent Directors					
	(a) Fee for attending board committee meetings	310,000	580,000	560,000	80,000	1,530,000
	(b) Commission				0	0
	(c) Others, please specify				0	0
	Total (1)	310,000	580,000	560,000	80,000	1,530,000
2	Other Non Executive Directors					
	(a) Fee for attending board committee meetings	300,000	180,000	80,000		560,000
	(b) Commission	0	0	0		
	(c) Others, please specify.	0	0	0		
	Total (2)	300,000	180,000	80,000	0	560,000
	Total (B)=(1+2)	0	0	0	0	2,090,000
	Total Managerial Remuneration					
	Overall Ceiling as per the Act.	No Remuneration, only sitting fee				

Mrs. Vimmi M Trehan was appointed w.e.f. 30.03.015

C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD

Sl. No.	Particulars of Remuneration	Key Managerial Personnel		
		CEO	CFO	Company Secretary
1	Gross Salary			
	(a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961.	9,000,000	3,165,500	1,411,694
	(b) Value of perquisites u/s 17(2) of the Income Tax Act, 1961	1,080,000	379,860	
	(c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961			
2	Stock Option			
3	Sweat Equity			
4	Commission as % of profit			
5	Others, Performance based Variable Pay	1,500,000	411,884	
	Total	11,580,000	3,957,244	1,411,693

VII PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES

There were no penalties/ punishment/ compounding of offences for the year ending March 31, 2015.



ANNEXURE VIII

Annual Report on Corporate Social Responsibility (CSR) Activities

(Pursuant to Section 135 of Companies Act 2013)

1. Company's CSR objectives and policy

The Company recognizes its responsibility as an important stakeholder in the society and strives to work towards the betterment of the society constantly. With this objective, on the recommendation of the CSR Committee the Board of Directors have approved the CSR Policy which is available at: http://axiscades.com/investors_data/corp_gov_report/ACET_CSR_Policy.pdf.

2. The CSR activities of the Company mainly focus on the areas of Education employment enhancing vocational skills.

3. The Company has constituted a CSR committee which provides oversight of CSR policy and guides the activities of the Company.

The CSR Committee comprises of:

Dr. Vivek Mansingh (Chairman),
Mr. K.M. Rustagi,
Mr. Pradeep Dadlani
Mr. Rohitasava Chand,

4. The average net profit for the last three financial years ended, March 31, 2012, 2013 and 2014 was Rs. 969 lacs.

5. Prescribed CSR spend @ 2% of average net profit for the last three financial years is Rs. 19.37 lacs.

6. CSR spend during the financial year:

	(Rs. Lacs)
a. Total amount to be spent	19.37
b. Amount committed	19.37
c. Amount disbursed	19.37
d. Amount unspent (a-c)	NIL

7. The manner of the amount spent during the financial year is as follows: (refer to table below)

Name/details of implementing agency	CSR project/activity identified	Sector in which the project is covered	Location of projects/ programmes	Amount outlay/ approved (Rs. In Lakh)	Amount spent direct/ overheads (Rs. In Lakh)
Dream A Dream	<ul style="list-style-type: none"> Organize and conduct 5 Dream Fun days Employee Participation in After School Life Skills Programmes: Mentoring Career guidance workshops Life skills through Creative Arts (sessions) Dream outdoor experiential camp 	Education and employment enhancing vocational skills	Bengaluru	12	12
Make A Difference	<ul style="list-style-type: none"> Teaching and mentoring a child Career guidance and coaching 	Education and employment enhancing vocational skills	Hyderabad & Chennai	7.37	7.37

Notes:

- Since 2014-15 is the first year of applicability of section 135 of the Companies Act, 2013, the figure for cumulative expenditure is not applicable.
- All amounts mentioned above as spent relate to amounts spent through implementing agency, unless stated otherwise.
- There is no expenditure on overheads in the above list.

The CSR Committee confirms that the implementation and monitoring of CSR Policy is in compliance with CSR objectives and Policy of the Company.

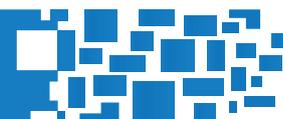
Date: August 12, 2015
Place: Bengaluru

-sd-
Valmeekanathan S.
Director & CEO

-sd-
Vivek Mansingh
Chairman of CSR Committee



Management Discussion And Analysis



INTRODUCTION

Axis-IT&T Limited was rechristened as AXISCADES Engineering Technologies Limited (henceforth referred to as 'AXISCADES' or 'the Company') with effect from 1st August 2014. For the Company, the financial year 2014-15 was as much about continuing to deliver value to customers as it was about integration and re-architecture of its organisation, business processes and systems. It was the first full year of operations as a unified brand – AXISCADES. This brought together the following entities

- **Axis-IT&T:** An engineering design service provider, with over twenty years' experience in delivering product design, 3D modelling, detailing and assembly, finite element analysis, reverse engineering and conversion of legacy drawings. The Company has had a long standing relationship with one of the world's largest heavy engineering and earthmoving companies.
- **CADES Digitech:** The CADES team has product design and development expertise that includes concept to detailed design phase, analysis, simulation, multi-body dynamics, virtual prototyping and testing, manufacturing engineering, product data management and technical documentation. It specialises in the Aerospace domain but also services Defence, Energy, and Automotive sectors. The Company was a leading partner to one of the largest European aerospace OEM's in India

As an integrated entity under the umbrella brand "AXISCADES" we continue to provide cutting edge technology solutions, addressing the business needs across domains, at every stage of Engineering Product Life-Cycle Development.

With over two decades of experience in engineering excellence and unparalleled domain expertise, and a passion to challenge the status quo, AXISCADES is fast emerging as the first choice engineering partner to global OEMs across the world. The culture of innovation inherent in the Company's DNA, ensures that it becomes the vanguard in taking initiatives to break new grounds in technology solutions. By design, the Company continues its endeavour to create new models of Engineering Delivery and providing value to Global OEMs.

The Company's proprietary business methodology

AXCELERATE, which seamlessly integrates the three pillars comprising of People, Process and Solutions, equips the organisation and by extension its customers, a functional model, which streamlines efficiency and enhances performance.

MARKET OPPORTUNITY

The Engineering and Research and Development (E&RD) in India has witnessed double digit growth in the recent past and is expected to reach exports of US\$38 billion by 2020. This sector is emerging as a vital cog in the global value chain for customers with its focus on impacting customer bottom-lines. With most global players looking east for a better value proposition, India is well positioned to further cement its increasing share of global E&RD outsourcing. Even domestic E&RD spends by Indian firms have increased at a CAGR of 9% since 2010 to reach US\$14 billion by 2013.

Global Trends

In 2013, the total E&RD expenditure in the world was estimated at around US\$1.4 trillion. This expenditure continues to grow and forecasts suggest that by 2020, total E&RD expenditure will be around US\$1.7 trillion. The corporate sector expenditure, driven primarily by the top 2,000 companies is forecast to touch US\$850-900 billion over the same period, with automotive and electronics being the major sectors in absolute terms.

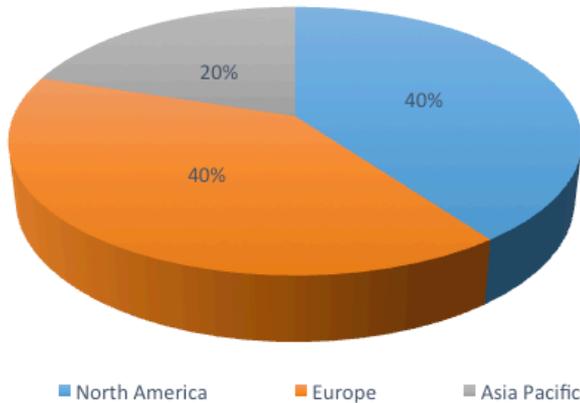
While USA and Europe continue to remain the leading geographies, with cost consciousness pervading the global corporate landscape, E&RD spends too are shifting to the east. In fact, Asia, excluding Japan is expected to garner one-fourth of the corporate spend by 2020.

E&RD spends across the globe is growing due to six key requirements. First, is to meet sustainability requirements that has been warranted by enhanced regulatory and consumer push around emission control and safety. Second, is the growing prominence of connected devices including vehicles, which is giving an impetus to cyber security and data analytics related services. Third, is to localise to cater to the market specific geographic or consumer preferences and requirements. Fourth, is driven by the increasing trend in consumers of adapting

* Note: Market projections are based on report by NASSCOM titled 'Global ER&D: Reaching the Inflection Point', released on 26 May 2015

regions have gained 2 percentage points each.

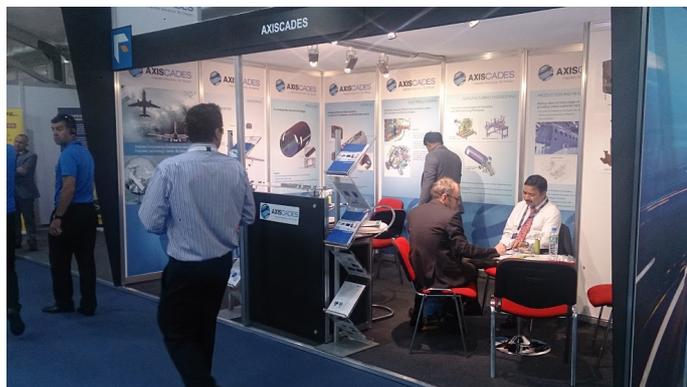
Chart B: Revenues (201-4-15) - Geographical Distribution



Aerospace

A typical aerospace engineering value chain goes through the following stages. It starts with a Concept Design stage, followed by detail design and analysis, Manufacturing & Assembly which then goes into the first article production of flight test vehicles or FTVs, and finally serial production. With a history of 10 years in the aerospace engineering services space, the Company today has seamless relationships with 3 of the major global OEMs. The relationship is such that AXISCADES engineers ride the OEMs' networks, access their PLM-PDM database and are authorised to do certification for some of the OEMs on behalf of their design community.

Over the years, the Company has worked on projects that deal with a gamut of designs including primary structures, secondary structure, interior design, electrical wiring harness design and installation, mechanical systems and galley structures. It has also done technical publications validation and verification. To promote its services, the Company participates in global trade fairs like Aero India 2015 and Farnborough Airshow 2014. In essence, the



AXISCADES participates at Farnborough Airshow 2014 (above)



AXISCADES participates at Aero India 2015 (above)

Company has capabilities and credentials of executing projects related to a structural part, systems engineering and interior monument design.

As highlighted earlier, the Company has established strong customer relations. It is operating Offshore Development Centres (ODCs) for 2 OEMs. Apart from these, it also works with other OEMs, and large Tier 1s. Across the customers, AXISCADES approach has been to service clients as engineering partners and not just be a service provider. This has helped businesses grow with some accounts and has firmly cemented our relationships with several OEMs.

The offering to customers was further enriched with the acquisition of Studec India, a partner to the France based technical publications Company Studec, which has a long term relationship with a major European OEM. As an organisation, there has been knowledge enhancement and significant gains from experience in technical publications. The technical publication team prepares catalogues, component maintenance manuals and service bulletins.

AXISCADES not only provides engineering services at the design and testing stage but also extends it across the product life cycle including activities during testing, manufacturing engineering and service when in commercial use. This includes taking on complete RNC or concession activity.

Till today, the Company has serviced over 20 customers including OEMs and Tier 1 suppliers.

Heavy Engineering

In Heavy Engineering, AXISCADES has close to three decades experience working with major global OEMs

including the number one heavy engineering manufacturer in the world. The services cut across multiple product lines in earth moving equipment, construction equipment and machinery dealing with drilling, mining and tunnelling. The Company's involvement extends right across the value chain from concept design to proto-part building. The service lines extend across a span of engagements including product engineering for product development, multiple design support activities, validating designs, virtual manufacturing support and manufacturing engineering solutions.

The life of heavy engineering machinery is usually very long and consequently the period of development is also on the higher side. AXISCADES works with customers right from the conceptual introduction of a new product initiative (NPI) to production and delivery. There is a lot of value analysis and value engineering work that is done post a delivery of a product. The services include design for costing, communization, standardizing the parts, and reducing the total cost of ownership of a product.

In terms of functions, AXISCADES has strong capabilities with structures, electrical wiring harnesses, fluid lines, interiors, cabins, design for costing, engine and powertrain. There is also a strong team that works on the machine side and on complete vehicle integration and configuration.

Today, the Company is working on major programmes helping customers co-create and manage spend effectiveness. The Company has so far serviced over 16 customers who are OEMs or Tier 1 suppliers.

Automotive and Industrial Products

In the automotive space, the Company undertakes complete C2P as well as value engineering. It is a saturated market with stiff competition. AXISCADES differentiates itself by targeting the higher value segment of the market by not just delivering regular engineering service but proactively approaching customers for problems that are more in the nature of research and development. In order to successfully execute this, the Company has set up a strong eco-system, which includes educational institutes and R&D centres. Our problem solving capabilities are highlighted by the fact that for one of the small cars plying in India today, originally the noise levels were above acceptable standards, which we solved for the Japanese OEM supplier.

The Company has a strong relationship with a premium marquee European brand and continues to service them effectively, and it is better geared to service the premium segment of vehicles primarily manufactured in Germany or Japan.

In industrial products, the Company has an association with one of the world's largest renewable energy major. AXISCADES has emerged as their number one offshore vendor and is today servicing them in terms of two of their leading platforms – 2.3 MW and 7 MW wind turbines.

OPERATIONS

Since 2014-15, AXISCADES has gone through a process of integration, where the different disparate businesses have been brought together under one platform. The integration process was successfully completed by December 2014 and the last quarter of 2014-15 was the first period of operations as an integrated entity.

The other focus has been on undertaking re-architecture of the business organisation with a focus to create an efficient, scalable and agile enterprise, which is critical to penetrating the global engineering service space.

The first step in this direction has been to transform the organisation form being structured around independent business units (BUs) working as silos to a more streamlined set up involving a sales organisation, a delivery organisation and engineering back-end.

There has been a thrust on enhancing sales efforts. First, the Company already has several existing clients where there is potential to significantly enhance engagements. Second, the Company today has a well-established credential base to offer good value propositions and expand to new geographies, new customers and new sectors. In order to do this, the strength of the sales team has been significantly increased during 2014-15.

The efforts on more aggressive sales and business development have started to bear some fruit. The Company is in the process of securing new deals for starting offshore, dedicated development centres for a large industrial products major and in the field of renewable energy. In addition, during the course of 2014-15, the Company successfully secured 5 new customer accounts including a tier 1 supplier with US aerospace major and an entry into the energy sector.

In addition to building a strong leadership team by hiring well established people from globally recognised companies in key positions like the Chief Executive, Chief Financial Officer and Head of Engineering, the Company also focused on strengthening the core capabilities and knowledge base of the Company by hiring subject experts and building the human resource asset base. While on one hand these additions have increased fixed costs during 2014-15, on the other hand, this has helped improve operating margins by doing more work in-house.



The HR practices have been geared to meet the specific needs of an engineering service provider with ambitions to attain global scale of operations. As an organisation, AXISCADES intends to create an organisation where every engineer gets to experience his aspirations. The Company provides a platform for engineers to develop themselves as they get to experience lot more diverse industry segments and thus garner for themselves accelerated professional acumen and growth. In order to achieve this specific competence matrix, systems and processes are being evaluated and institutionalised. This internal organisation tool has also played a critical role in business and organisational integration.

Another important initiative has been the creation of a service line as part of the Engineering organisation. This is primarily a layer of the organisation where the principal knowledge resides. The team includes engineers segregated in terms of functional expertise and their skills are sector agnostic. Such an organisational backbone allows for scaling up with a diversified industry focus that prevents risk of economic down cycles in any specific industry.

QUALITY AND CERTIFICATIONS

Quality Policy

AXISCADES aims to achieve Total Customer Satisfaction through On-time delivery of innovative, cost effective and defect free Engineering Services, Solutions and Products. The Tagline and the Quality policy is as follows:
We deliver customer delight with 'SPEED'

- Seamless integration of requirements
- Passion to innovate
- Enhancing processes and technologies
- Empowering talent
- Delivering quality, reliability and trust

Information Security Management System (ISMS) Policy
The Company is committed to conduct our business by following the defined Risk Assessment method that ensures the Confidentiality, Integrity and Availability of our Organizational and Customers' Information, through Controls, Compliance and Business Continuity by consistently improving our people, processes, technology and infrastructure.

Certifications and Approvals

- ISO 9001:2008
- AS 9100C
- ISO 27001:2005
- Aerospace OEM's Design approval authority

PERFORMANCE HIGHLIGHTS

Table 1 gives the salient features of the Company's performance, as a consolidated enterprise, in 2014-15

Table 1: Financial Highlights (Rs. Million) - Consolidated

	Consolidated	
	2014-15	2013-14
Total income	3,192.43	3,098.89
Total expenditure (before interest & depreciation)	2,757.70	2,782.14
Earnings before interest, depreciation, amortization and extra-ordinary items	434.73	316.76
Depreciation & amortization	93.35	81.63
Interest & finance charges	23.53	36.07
Earnings before Tax and Exceptional Items	317.84	199.05
Exceptional items	29.70	3.50
Profit before Tax (PBT)	288.14	195.55
Provision for Tax – Current & Deferred	90.06	35.76
Net Profit after Tax (PAT)	198.07	159.78

- Total Income increased by 3% to Rs.3,192.4 million in 2014-15. In this revenue, the proportion of offshore has increased from 40% in 2013-14 to 44% in 2014-15. offshore services are more cost effective and add to company margins.
- With increased hiring, employee costs increased by 3.1% to Rs.2011.6 million. The full extent of the people cost increase was not absorbed in 2014-15, as many people have only been hired in the second half. However, other expenses including administrative expenses has reduced by 10.3% to Rs.746.1 million. Consequently, EBIDTA margin as a ratio to total revenues/income increased from 10.2% in 2013-14 to 13.6% in 2014-15. EBIDTA increased by 37.2% to Rs.434.7 million in 2014-15.
- Profit before tax and exceptional items increased by 59.7% to Rs.317.8 million in 2014-15.
- Cash flow from operations increased by 89.1% to Rs.309.4 million in 2014-15
- Basic and diluted Earnings Per Share (EPS) was Rs.7.69
- The Return on Equity was 17.4%, while the Return on Capital Employed was 26.1%

OUTLOOK

2014-15 has been about laying the foundation for the next phase of accelerated growth. The market for engineering services is immense and with primary location in India and its pedigree in this business space, AXISCADES is well positioned to capture the market opportunities and grow sizably in the near future. However, it will require meticulous execution and ability to take on competition, which is also stiff.



In terms of strategic developments, the Company has a specific path forward. First, in 2014-15, 88% of the revenues was from the top 10 customers. The company has been conscious and plans to diversify its customer risk profile with an aggressive sales push to grow its revenues. Second, there has been a concerted move to servicing customers across the product life cycle and move from pure Time and Money contracts to Fixed Price and partnership driven relationships including setting up of dedicated Offshore Development Centres. Third, the Company has primarily been servicing customers with mechanical engineering solutions. There is immense scope in extending the service offering to other domains of engineering like Embedded, Validation and Verification, Electronics, Avionics and the new found opportunities. Such distribution of risks across functionality insulates the Company from any market downturns.

While the Company will focus on enhancing its competency base, it will also make all efforts to push for building internal efficiencies and improve margins. This will involve increasing proportion of offshore work.

RISKS

At the business and operational level there are several risks that are inherent to any business. These are typically transactional in nature. These risks are managed through internal processes and controls. The entire risk profile of the Company is governed by risk management system that highlights important risks to the Board of directors for effective mitigation or management measures. Apart from that, there are certain broader risks that affect the Company's strategy

Market risks: As of today, the Customers' business is largely concentrated with a few players. The management is working on a major sales push to diversify this revenue concentration.

Man-power risks: The entire business focuses on the knowledge of its engineer employees. Inability to attract talent at an effective cost that can deliver necessary outputs is a risk continuously associated with the business. Most of the operational activities is centred on developing an organisation that can meet this challenge.

Technology risks: In such an industry there is always the risk of a disruptive technology making certain services redundant. Continuous institutionalised knowledge building and widened spectrum of activities are a hedge against such developments

Reputational risks: Any developments like poor service, massive failures on delivery or even IPR theft are risks

associated with the brand value of the organisation.. The Company has incorporated effective processes and systems including adopting global quality norms to offset this.

Data Security Risk: In a partnership business, especially in engineering services, there are risks associated with handling and accessibility of data. The Company has a specific quality certified process that ensures data security.

Currency Exchange risks: This is inherent to any global business due to changes in foreign exchange rates, and liquidity. The Company has adequate policy, procedure, and systems in place to forecast, analyse, assess, evaluate and take proactive steps to deal with all types of financial risks.

Regulatory and Safety Risk: Changes in laws, regulations, policies and other Governmental actions could affect the Company's operation periodically. These laws, regulations and policies include those affecting environmental matters, employee welfare, safety, wastage emissions etc. The Company has ensured compliance of all applicable laws.

CORPORATE SOCIAL RESPONSIBILITY

Inspired by the opportunity to contribute to a more secure and sustainable future for all, AXISCADES has initiated a structured Corporate Social Responsibility initiative in 2014-15. This initiative was formalized through the AXISCADES Corporate Social Responsibility Policy.

The core focus behind all AXISCADES CSR initiatives is to fulfil two objectives - social and economic inclusion of the most vulnerable in society and environmental sustainability. The year 2014-15 was about putting the structure in place for effective implementation in the future.

To begin with, the cause in focus will be empowering underprivileged children. As the CSR capacity ramps up over the next year, the Company shall expand its activities to include the other causes especially to do with improving employability of the differently abled and with environment management.

AXISCADES recognized that in order to achieve maximum impact with the available resources, the Company needed to partner with specialized organizations in the cause focus areas identified. After a rigorous selection process, the following organizations were selected as AXISCADES CSR partners for FY15:

a) **Dream A Dream**

Dream a Dream is an award-winning, professional charitable trust registered and based out of Bangalore. Dream A Dream has worked tirelessly since its inception in



1999, to provide life-skills to young people from vulnerable backgrounds.

b) Make A Difference

Make A Difference is a pan-India organization that mobilizes young leaders to ensure equitable outcomes for children in shelter-homes and orphanages.

CSR core teams were formed in different locations to plan

and protection against loss from unauthorised use or disposition. The Company's internal control is supplemented by an extensive programme of internal audits, periodic review by management and documented policies, guidelines and procedures. The internal auditors' report their findings to the Audit Committee of the Board of Directors. The internal controls are designed to ensure that financial and other records are adequate and authentic for preparing financial disclosures.



AXISCADES employees at CSR Activity (above)



AXISCADES employees at CSR Activity (above)

and execute the engagement events for the year. The first CSR event under the structures CSR activity for the year was organized at Blossom Public School, one of Dream A Dream partners, on the 16th of May 2015. Employees from AXISCADES interacted with the children and helped them script and perform short plays, helping them learn important life-skills like teamwork, leadership and taking initiative.

INTERNAL CONTROL AND ITS ADEQUACY

AXISCADES has a proper and adequate system of internal controls to ensure that all assets, including intellectual property, are verified to ensure their veracity, safeguarding

CAUTIONARY STATEMENT

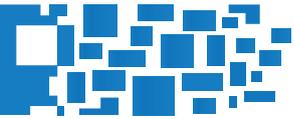
Statements in this Management Discussion and Analysis describing the company's objectives, projections, estimates and expectations may be 'forward looking statements' within the meaning of applicable laws and regulations. Actual results might differ substantially or materially from those expressed or implied. Important developments that could affect the company's operations include a downtrend in the industry global or domestic or both, significant changes in political and economic environment in India or key markets abroad, tax laws, litigation, labour relations, exchange rate fluctuations, interest and other costs.

CORPORATE GOVERNANCE





Report on Corporate Governance



“Corporate Governance is concerned with holding the balance between economic and social goals and between individual and communal goals. The corporate governance framework is there to encourage the efficient use of resources and equally to require accountability for the stewardship of these resources. The aim is to align as nearly as possible the interest of individuals, corporations and society” - Sir Adrian Cadbury in Global Corporate Governance Forum, World Bank 2000

Introduction

Your Company’s philosophy on Corporate Governance is about its commitment to values and ethics in business conduct which stems from the culture, policies, practices, voluntary adherence to ethical standards and mindset of an organization. Your Board strongly believes that effective corporate governance practices constitute the strong foundation. Your Company has a strong legacy of fair, transparent and ethical governance practices. The company’s primary objective is to create and adhere to a corporate culture of fairness and transparency in actions of the management which are the key to enhancing shareholders value and discharge of social responsibility.

Your Directors are pleased to inform the implementation of the new corporate governance code which came into effect from October 1, 2014 and report the compliances as required under Clause 49 of the Listing Agreement as follows:

I. BOARD OF DIRECTORS

Composition of the Board

As on 31st March 2015, the Company’s Board comprised of the following category of Directors in conformity with clause 49 of the Listing Agreement:

Category	Directors
Executive director	Mr. Valmeekanathan S. (CEO & Director) Mr. Kaushik Sarkar (CFO & Director) ¹
Non- Executive directors	Mr. Rohitasava Chand Mr. Kedar Nath Choudhury Mr. Amit Gupta ²
Independent Directors	Dr. Vivek Mansing ³ , Chairman Mr. Pradeep Dadlani Mr. Kailash M. Rustagi Mr. Srinath Batni ⁴ Mrs. Vimmi Mittal Trehan ⁵

1. Mr. Kaushik Sarkar was a Director from September 12, 2014 to June 25, 2015.

2. Mr. Amit Gupta was appointed as Additional Director with effect from September 12, 2014.

3. Mr. S. Ravinarayanan resigned as Director & Chairman from the Board of the company with effect from 21st June 2014 and Dr. Vivek Mansingh was appointed as the Director & Chairman of the Board of the Company w.e.f 23rd June 2014.

4. Mr. Srinath Batni appointed as Additional Director with effect from August 8, 2014.

5. Mrs Vimmi Mittal Trehan appointed as Additional Director with effect from March 30, 2015

Mr. P Hemanth Polavaram, resigned as Director w.e.f. 15th November 2014.

None of the Directors are related inter-se. The changes in the composition of the Board of Directors that took place during the year have been duly informed to the Stock Exchanges from time to time.

Directorships and Chairmanships/ Memberships of Committees of other companies as on 31.03.2015

S. No.	Name of the Directors	No. of other Directorship as on 31.03.2015	No of Membership of Committees in other companies as on 31.03.2015
1	Dr. Vivek Mansingh	NIL	NIL
2	Mr. Valmeekanathan S.	1	NIL
3	Mr. Rohitasava Chand	1	1
4	Mr. Kedarnath Choudhury	2	1
5	Mr. Amit Gupta	NIL	NIL
6	Mr. Pradeep Dadlani	1	1
7	Mr. Kailash M. Rustagi	NIL	NIL
8	Mr. Srinath Batni	1	1
9	Mrs. Vimmi Mittal Trehan	NIL	NIL

The directorships / committee membership held in public limited companies and subsidiaries of public companies are only considered. And directorships / committee membership held in private companies, Section 8 Companies and foreign companies are excluded. Committee memberships includes only Audit Committee and Stakeholders Committee.

As per the declarations furnished by the Directors none of directors of the Company is a member of more than 10 committees (including in the Company if any) and chairman of not more than 5 such committee.

Board Meetings

During the financial year ended March 31, 2015 Nine (9) Board meetings were held and gap between any two meetings was not more than 120 days. Adequate notice is given to all directors to schedule the Board Meetings together with agenda and detailed notes on agenda in compliance with the provisions of Companies Act, 2013, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and all the directors are facilitated to participate meaningfully at the meetings.



The dates of the Board Meeting & participation thereat is as under:

Sl. No.	Dates	Total Directors as on the date of meeting	Presence	Presence	Presence
			Executive Directors	Non-Executive Directors (other than Independent Directors)	Independent Directors
1.	May 6, 2014	7	1	3	2
2.	May 26, 2014 adjourned to May 30, 2014	7	1	1	3
3.	June 23, 2014	7	1	2	4
4.	July 09, 2014	7	-	2	2
5.	August 08, 2014	8	1	2	3
6.	September 09, 2014	8	1	2	4
7.	November 11, 2014	10	2	3	4
8.	February 09, 2015	9	2	3	4
9.	March 30, 2015	10	2	2	2

The attendance of Directors at Board Meetings, Committees Meetings and at the last AGM, during the year ending March 31, 2015

Name of the Director	Board	Stakeholders' Relationship Committee	Audit Committee	Nomination & Remuneration Committee	CSR Committee	Attendance at Last AGM
No of meetings held during the year	9	5	5	4	1	
Dr. Vivek Mansingh (w.e.f June 23,2014)	6	NA	2	NA	NIL	Present
Mr. Valmeeka Nathan S.	8	NA	NA	NA	NA	Present
Mr. Kaushik Sarkar (w.e.f. September12,2014)	3	NA	NA	NA	NA	NA
Mr. Rohitasava Chand	7	3	NA	3	NIL	Present
Mr. K.M. Rustagi	7	5	5	3	1	Present
Mr. Pradeep Dadlani	8	5	5	3	1	Present



Name of the Director	Board	Stakeholders' Relationship Committee	Audit Committee	Nomination & Remuneration Committee	CSR Committee	Attendance at Last AGM
Mr. Kedar Nath Choudhury	9	1	5	4	NA	Present
Mr. Srinath Batni (w.e.f. August.08,2014)	4	2	2	1	NA	Present
Mr. Amit Gupta (w.e.f. September12, 2014)	3	NA	NA	1	NA	NA
Mrs. Vimmi M. Trehan (w.e.f. March 30,2015)	NIL	NA	NA	NA	NA	NA
Mr. S. Ravinarayanan (up to June 21, 2014)	1	NA	NA	NA	NA	NA
Mr. P. Hemanth Polavaram (up to November 15, 2014.)	3	NIL	1	1	NA	Absent

- Committees were reconstituted on September 9, 2014.

Board Diversity

The Company recognizes the need for diversified Board in its success and continuity. Keeping this in view the Company has cultivated a policy to induct persons drawn from diverse fields, having experience and expertise in their respective fields, and men who have achieved excellence and success. The present Board achieves this quality to a large extent. The Board of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors.

Independent Directors

The Board consists of Five (5) Independent Directors, out of them one is woman Director. The Independent Directors meet at least once in every financial year without the presence of other Directors or management personnel to discuss matters pertaining to Company's affairs, evaluation of performance of the Board and their own and place their views regarding governance of the Company at the Board. During the year the Independent Directors have met once.



Code of Conduct

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

Internal Code of Conduct for Prevention of Insider Trading

Pursuant to the provisions of SEBI (Prohibition of Insider Trading) Regulations, 2015 which has come into force with effect from 15.05.2015 the Company has formulated a Code of conduct to regulate, monitor and report trading by its employees, directors and other connected persons and the same is posted and is accessible on the website of the Company at www.axiscades.com.

The Company closes its trading window seven days prior to the Board meeting to approve and declare quarterly financial results and till 48 hours after the publication of such results.

As required under Regulation 8(1) of SEBI (Prohibition of Insider Trading Regulations, 2015) the Company has also formulated Code of practices and procedures for fair disclosure of unpublished price sensitive information and the same is posted and is accessible on the website of the Company at www.axiscades.com

Familiarization program/Training for Directors

In compliance with the provisions of Clause 49 (II) of the Listing Agreement, the Company has formulated a Directors' familiarization program, whereby, directors are inducted through a suitable process covering, inter-alia, their roles, responsibilities and liabilities, nature of the industry in which the Company operates, business model of the Company. Efforts are made to ensure that every director has the ability to understand basic financial statements and information and related documents/papers.

Besides this, the Board also adopts suitable methods to enrich the skills of directors from time to time. All new non-executive directors inducted into the Board are given an orientation. Presentations are made by various executive

directors and senior management giving an overview of our operations to familiarize the new non-executive directors with the operations. The new non-executive directors are given orientation about our services, group structure and subsidiaries, our constitution, Board procedures and matters reserved for the Board, our major risks and risk management strategy. The Board of Directors are also updated on all business-related risks, challenges and initiatives. The text of the policy and program is posted on the website of the Company at: http://axiscades.com/investors_data/corp_gov_report/ID%20Familiarisation%20Programme.pdfm

Succession Planning

Nomination and Remuneration Committee recommends to the Board from time to time on long term succession plan and also contingency plan in case of exigencies, relating to both Board as well as Executive management.

Retirement policy

The retirement age of the Directors is fixed by the Board of Directors in consultation with the Nomination and Remuneration Committee.

**II. BOARD COMMITTEES CONSTITUTION: As on 31st March 2015**

SI No	Name of the Director	Category	Stakeholders' Relationship Committee	Audit Committee	Nomination & Remuneration Committee	CSR Committee
1	Dr. Vivek Mansingh	Independent		Member		Chairman
2	Mr. K.M. Rustagi	Independent	Member	Chairman		Member
3	Mr. Srinath Batni	Independent	Member	Member	Chairman	
4	Mr. Pradeep Dadlani	Independent	Chairman	Member	Member	Member
5	Mr. Rohitasava Chand	Non-Executive	Member			Member
6	Mr. Kedarnath Choudhury	Non- Executive		Member	Member	
7	Mr. Amit Gupta	Non-Executive			Member	
8	Mrs. Shweta Agrawal	CS*	CS	CS	CS	CS

*CS: Company Secretary

The role of all the above committees of the Board has been defined as guided by the Companies Act, Listing Agreement and other regulations. Any addition to the scope of the committee is approved by the Board. Detail functioning of the committees are detailed below:

Audit Committee:

The constitution of the Committee meets the requirements of provisions of Clause 49 of Listing Agreement as well as Section 177 of Companies Act, 2013. The members of the Committee possess required financial literacy, expertise and accounting background. The Chairman of the Audit Committee is an Independent Director. The Chairman of the Audit Committee was present at the last AGM held on September 09, 2014. The committee was reconstituted on September 9, 2014.

Terms of reference:

The Term of reference of Audit Committee approved by the Board, has laid down following functional responsibilities:

- Overall review of financial reporting process disclosure of information to ensure correct, complete and credible financial statements.
- Review of quarterly/annual results and financial statements of the Company and Auditors' report before recommending the same to the Board of Directors.
- Review of statement of management discussion & analysis of financial conditions and results of operation, review of



directors' responsibility statements, changes in accounting policies and practices,

d) Approval of related party transactions

e) Recommending to the Board the appointment, re-appointment remuneration and terms of appointment of auditors and internal auditor and fixation of audit fee, review and monitoring of their independence, performance and process. Review of performance of statutory and internal auditors, adequacy of internal control systems, adequacy of internal audit function, structure of internal audit organization, discussions with internal and Statutory auditors, review of internal auditors and statutory auditor's notes and review of internal audit investigations, if any and weakness or failure of internal control systems, if any reported by audits.

f) Scrutiny of inter- corporate loans and investments

g) Valuation of undertakings or assets of the Company, whenever necessary.

h) Evaluation of internal financial controls and risk management system.

i) Monitoring the end use of funds raised by the Company, if any.

j) Monitoring and review of whistle blower policy and mechanism.

k) Any other function as may be specifically entrusted to by the Board.

Powers

The Audit Committee charter has vested with the Committee the following powers for its effective functioning:

1. To investigate any activity within its terms of reference.
2. To seek information from the management, auditors, internal auditors and employees of the company.
3. To obtain outside legal or expert advice and to engage experts from outside.

Meetings

The Audit Committee meets once in a quarter normally and has held five (5) meetings during the year. The gap between two meetings has not exceeded 4 months. The representatives of Auditors, Internal Auditors, CFO, regularly attend the Audit Committee meetings. The

proceedings and recommendations of the Audit Committee are placed before every quarterly Board meeting and are confirmed and recommendations are considered by the Board. The Audit Committee also holds independent discussions with Auditors/Internal Auditors.

Nomination & Remuneration Committee

The Committee was reconstituted on September 9, 2014. The constitution of the Committee is in conformity with the provisions of Section 178 of Companies Act, 2013. The Chairperson of the Committee is an Independent Director and was present at the last AGM held on September 9, 2014.

Functions

The Committee is primarily responsible to oversee nomination process for appointments to the Board and Executive management and key managerial personnel and laying down a sound policy for Board and executive remuneration. Its terms of reference approved by the Board of Directors inter alia include:

- i. Formulation of criteria for determining qualifications, positive attributes and independence of a Director;
- ii. Devising a policy on Board Diversity and balanced Board
- iii. Identification of suitable persons for appointment to the Board and senior management positions in accordance with the criteria laid down and recommending their appointment to the Board;
- iv. Formulation of criteria for evaluation of Independent Directors and the Board.
- v. Formulating and recommending to the Board a policy of remuneration to directors, key managerial personnel, senior management and other employees;
- vi. Evaluating the performance of a director and recommend their appointment or removal to the Board.

Meetings

The Nomination and Remuneration Committee meets on need basis and has met four (4) times during the year. The proceedings of the committee have been placed before the Board and the recommendations of the committee have been considered by the Board.

Stakeholders' Relationship Committee

The Committee was reconstituted on September 9, 2014. The constitution of the Committee is in conformity with the provisions of Section 178 of Companies Act, 2013. The Chairperson of the Committee is an Independent Director



and was present at the last AGM held on September 9, 2014.

Functions

The main function of Stakeholders' Committee is to review and resolve the grievances of the securities holders of the company. The Committee also oversees share transfer process.

Meetings

Normally the Committee meets every quarter and has met five (5) times during the year. The proceedings and recommendations of the Committee have been placed before the Board at every quarterly meeting.

Corporate Social Responsibility Committee (CSR Committee)

In compliance with the provisions of the Companies (Corporate Social Responsibility Policy) Rules 2013, the Company constituted a Corporate Social Responsibility Committee.

Functions:

The principal functions of the committee include:

- i. Formulation and recommendation of CSR policy for undertaking CSR activities permitted under the provisions of Companies Act 2013;
- ii. Recommendation of CSR spend on each,
- iii. Monitoring the CSR activities and the implementation of the policy.

Meetings

The Committee has met once during the year ended 31 March, 2015. The Committee has recommended a CSR Policy of the Company which has been approved by the Board. The policy is posted on the website of the Company and is accessible at www.axiscades.com

Evaluation of performance of Director/Board

During the year, the Board, on recommendation of the Nomination and Remuneration Committee, the Board adopted a formal mechanism for evaluating its performance as well as that of its committees and individual Director including Independent Director and Chairman of the Board. The policy envisages evaluation process to be undertaken generally once at the end of the year and if needed for the

purpose of recommending for reappointment, removal etc. at such time as may be desired by the Board.

The various criteria laid down in the policy for evaluation of a Director/Board are briefly stated below: Criteria for evaluation of a Director

1. Attendance and contribution at Board and Committee meetings of a Director.
2. His/her stature, appropriate mix of expertise, skills, behavior, experience, leadership qualities, sense of sobriety and understanding of business, strategic direction to align company's value and standards.
3. His/her knowledge of the industry, finance, accounts, legal, investment, marketing, foreign exchange/ hedging, internal controls, risk management, assessment and mitigation, business operations, processes and Corporate Governance.
4. His/her ability to create a performance culture that drives value creation and a high quality of debate with robust and probing discussions.
5. Effective decision making ability to respond positively and constructively to implement the same to encourage more transparency.
6. Ability to open channels of communication with executive management and other colleagues on Board to maintain high standards of integrity and probity.
7. Recognize the role which he/she is expected to play, internal Board Relationships to make decisions objectively and collectively in the best interest of the Company to achieve organizational successes and harmonizing the Board.
8. His/her global presence, rational, physical and mental fitness, broader thinking, vision on corporate social responsibility etc.
9. Quality of decision making on understanding financial statements and business performance, raising of finance, best source of finance, working capital requirement, forex dealings, geopolitics, human resources etc.
10. His/her ability to monitor the performance of management and satisfy himself with integrity of the financial controls and systems in place by ensuring right level of contact with external stakeholders.
11. His/her contribution to enhance overall brand image of the Company.

Criteria for evaluation of whole Board & Committee

1. Board/Committee constitution and composition, its diversity in terms of skills, experience, gender, age, qualification, nature of job.
2. Effectiveness of discussion and taking objective decision



on the agenda.

3. Effectiveness of processes, participation, flow of information, recording of votes, familiarization, attendance etc.

4. Measure taken to ensure adequate protection to shareholders rights.

5. Compliance with relevant laws and regulations through appropriate system of control.

6. Board's / Committee's focus

In compliance with clause 49 of the Listing Agreement, the performance evaluation for the year ended March 31, 2015 was carried out during June, 2015. The Nomination and Remuneration Committee carried out evaluation of performance of Individual Directors (including Independent Directors) on the basis of the criteria for evaluation of a Director laid down in the Policy and reported their findings to the Board. The Board, on the basis of the recommendations of the Nomination and Remuneration Committee, reviewed the performance of individual directors and carried out the evaluation of performance of the Board as a whole and that of all the Committees based on the criteria laid down for the Board/Committee in the Policy.

Nomination and Remuneration Policy

The Company is a Service Industry and therefore Company's policy strives to consider human resources as its invaluable assets and to pay equitable remuneration to all Directors, Key Managerial Personnel (KMP) and employees of the Company.

In terms of the provisions of the Companies Act, 2013 and Clause 49 of Listing Agreement, the Nomination and Remuneration Committee has formulated the policy on nomination and remuneration of Directors, Key Managerial Personnel and Senior Management (if any) and the same is approved by the Board of Directors from time to time.

The Policy aims to ensure that the level and composition of remuneration package prevailing in the Company is reasonable and adequate to attract, retain and motivate the employees, to ensure that the remuneration corresponds to performance and that the fixed and variable components of the remuneration is benchmarked and balanced to achieve short term and long term performance objectives of the Company.

With the above objectives the policy was formulated by the Nomination and Remuneration Committee and adopted by the Board of Directors at its meeting held on 23rd June

2014. The revised policy was adopted on September 9, 2014.

The Policy sets out the guiding principles for Nomination and Remuneration Committee for recommending to the Board, remuneration of the Executive Management of the Company.

Policy on Directors' Remuneration

The Non- Executive / Independent Director may receive remuneration by way of sitting fees for attending meetings of Board or Committee thereof. The amount of such fees shall not exceed the limits as may be prescribed by the Central Government from time to time.

An Independent Director shall not be entitled to any stock option of the Company

The Board shall, on the recommendation of the Nomination and Remuneration Committee, review and approve the remuneration payable to the Non- Executive Directors within the overall limits approved by the shareholders.

Remuneration to Executive Directors and Key managerial personnel

The remuneration structure to the Executive Directors and Key managerial Personnel shall consist of:

- i) Basic pay
- ii) Perquisites and allowances
- iii) Performance based Variable Pay
- iv) Retiral benefits

The Board shall, on the recommendation of the Nomination and Remuneration Committee, review and approve the remuneration payable to the Executive Directors and KMP within the overall limits approved by the shareholders.

Remuneration to other employees

The employees shall be assigned grades according to their job profile, job requirements, skill sets, qualifications, experience, competencies and responsibilities and remuneration levels prevailing for similar jobs in the Industry and other similar organizations. An individual employee will be fixed in the appropriate grade with promotional opportunities in consonance with his growth in the organization.

The remuneration structure shall consist of Basic salary, Flexible Benefit Plan, Performance based Variable pay and retiral benefits.

The Board shall, on the recommendation of the Nomination and Remuneration Committee, review and approve the remuneration structure and grades from time to time.

Policy for determining “material” subsidiaries

In accordance with the provisions of revised Clause 49 of the Listing Agreement, the Company has formulated a policy for determining material subsidiary which is posted on the website of the Company and is accessible at: http://axiscades.com/investors_data/corp_gov_report/ACET_Material_Subsiary_Policy.pdf

The Company identifies material subsidiaries and significant transactions once in a year based on the previous audited financial statements. Accordingly the exercise has been carried out during the year based on the audited financial statements for 2014. There is one material subsidiary identified during the year. The statement of significant transactions, if any, are placed before the Audit Committee/Board periodically.

Policy on materiality and dealing with Related Party Transactions

In terms of the provisions of Companies Act, 2013 and the rules made there under and revised Clause 49 of Listing Agreement the Company has formulated Policy on Materiality and dealing with Related Party Transactions w. e. f. October 1, 2015 which is placed and accessible on the Company’s website at http://axiscades.com/investors_data/corp_gov_report/ACET_RTP_Policy.pdf

The policy inter alia, identifies transactions ‘in ordinary course of business’ and ‘transactions at arm’s length’, lays down the approval matrix applicable to such transactions, procedure for identification of related parties, procedure for identification of related party transaction, procedure for reporting and review and approval of related party transactions by the Audit Committee and the Board.

All Related Party Transactions must be reported to the Audit Committee for its prior approval in accordance with this Policy. The Committee shall review the transaction and report the same for approval of the Board and shareholders, if required, in accordance with the Policy. However, the Audit Committee may grant omnibus approval for Related Party Transactions proposed to be entered into by the company subject to the certain conditions. The details of the Policy are available on the website of the Company.

III. DISCLOSURES

Related party transactions

Details of all material transactions with related parties are being disclosed quarterly along with the compliance report on corporate governance.

There were no materially significant related party transactions between the Company and directors, the key managerial personnel, management executives, subsidiaries or relatives or which may have potential conflict with the interest of the company at large except as disclosed in AOC- 2 attached to the Directors’ Report.

Remuneration to Directors

Remuneration to Non-Executive Directors

The Independent Directors are paid a sitting fee of Rs. 50,000/- each for every Board/Committee meeting attended by them and other non-executive directors are entitled to a sitting fee of Rs. 20,000/- for every Board/Committee Meeting attended by them w. e. f. September 9, 2014. Till then all the Non-Executive Directors (including Independent Directors) were entitled to a sitting fee of Rs. 20,000/- for every Board and Audit Committee meeting of which they are member and is attended by them. Apart from this, at present, no other remuneration is being paid to Non- Executive Directors. No stock options have been given.

Sitting fees paid to Non- Executive Directors during FY 2014 -2015

SI No	Name	Amount in Rupees
1	Dr. Vivek Mansingh	3,10,000
2	Mr. K.M. Rustagi,	5,60,000
3	Mr. Pradeep Dadlani	5,80,000
4	Mr. Srinath Batni	4,20,000
5	Mr. Rohitasava Chand,	1,80,000
6	Mr. Kedarnath Choudhury	3,00,000
7	Mr. Amit Gupta	80,000
8	Mrs. Vimmi Mittal Trehan	-
9	Mr Ravinarayanan	20,000
10	Mr P. Hemanth Polavaram	80000
	Total	25,30,000



Remuneration to Wholetime directors (FY 2014-15)

Particulars of remuneration	Mr. Valmeekanathan Director & CEO	Mr. Kaushik Sarkar Director & CFO*
Salary	90,00,000	31,65,500
Perquisites and benefits like, P. F., Gratuity, Leave Travel, Medical etc.	10,80,000	3,79,860
Performance Linked Variable Pay)	15,00,000	4,11,884
Performance criteria	Linked to performance of the Company during the year.	Linked to performance of the Company during the year.
Notice period	3 Months	3 Months
Severance pay	Nil	Nil
Stock options	Nil	Nil
Total remuneration paid during the year 2014 -15	1,15,80,000	39,57,244

*For the period September 12, 2014 to March 31, 2015
None of the Directors hold shares in the Company.

IV. GENERAL MEETINGS

The particulars of the last three Annual General Meetings are:

Nature of meeting	Date and time	Venue of the meeting	Special Resolutions passed
Twenty Second Annual General Meeting	September 20, 2012; 11.30 a.m.	Lakshmiapat Singhania Auditorium, Sri Fort Road, New Delhi –110016 India	NIL
Twenty Third Annual General Meeting	July 29, 2013; 11.30 a.m.	Lakshmiapat Singhania Auditorium, , Sri Fort Road, New Delhi –110016 India	Appointment of Mr. S. Ravinarayanan as the Chairman and CEO of the company w.e.f.1st April 2014 for 3 years.



Nature of meeting	Date and time	Venue of the meeting	Special Resolutions passed
Twenty Fourth Annual General Meeting	September 9, 2014; 3.30 p.m.	Sri Sathya Sai International Center and School, Pragati Vihar, Lodhi Road, New Delhi 110003- India	<ol style="list-style-type: none"> 1. Approval of appointment/ remuneration of Mr. S.Valmeekanathan as Director and CEO. 2. Authority to the Board to exercise Borrowing powers. 3. Authority to the Board to create mortgage or charge on the Assets of the Company 4. Approval of Related Party Transactions

Postal Ballots

Special resolution	Votes cast in favour		Votes cast against		Date of declaration of the results
	Number of votes cast	%	Number of votes cast	%	
Approving the change of name of the company from Axis-IT & T limited to AXISCADES Engineering Technologies Limited	1,33,50,608	100%	0	0	June 16, 2014
Approving the appointment and Remuneration of Mr. Kaushik Sarkar, as Director and CFO of the Company.	20,952,963	99.99%	450	0.01	January 12, 2015.



Procedure of postal ballot

Postal Ballot Dt: May 8, 2014	Postal Ballot Dt: December 1, 2014
<p>Board of Directors decided to change the Name of the Company in its meeting held on March 27, 2014 and proposed to seek the approval of the shareholders through Postal Ballot pursuant to Section 110 of Companies Act 2013 read with Rule 22 of Companies (Management & Administration) Rules 2014 (MGT), in their meeting held on May 6, 2014.</p>	<p>Board of Directors proposed to seek the approval of the shareholders for appointment of Kaushik Sarkar as Director & CFO through Postal Ballot pursuant to Section 110 of Companies Act 2013 read with Rule 22 of Companies (Management & Administration) Rules 2014 in their meeting held on November 11, 2014.</p>
<p>The Board approved the Notice of Postal Ballot and authorised the Company Secretary to sign and issue the Notice of Postal Ballot. The Board also appointed Mr. Anant Khamankar, Proprietor of M/s Anant B Khamankar & Co., Company Secretaries, and Mumbai as the Scrutinizer for conducting the postal ballot process in a fair and transparent manner.</p>	<p>The Board approved the Notice of Postal Ballot and authorised the Company Secretary to sign and issue the Notice of Postal Ballot. The Board also appointed Mr. Anant Khamankar, Proprietor of M/s Anant B Khamankar & Co., Company Secretaries, and Mumbai as the Scrutinizer for conducting the postal ballot process in a fair and transparent manner.</p>
<p>The Notice of Postal Ballot was dispatched to all the shareholders by permitted mode (completed on May 15, 2014) and a Public Notice of completion of dispatch of Postal Ballot was published pursuant to Rule 20 of MGT Rules in one English daily and in one vernacular daily along with necessary particulars on May 16, 2014.</p>	<p>The Notice of Postal Ballot was dispatched to all the shareholders by permitted mode (completed on December 10, 2014) and a Public Notice of completion of dispatch of Postal Ballot was published pursuant to Rule 20 of MGT Rules in one English daily and in one vernacular daily along with necessary particulars on December 11, 2014.</p>
<p>In compliance with Clause 35B of Listing Agreement and the provisions of Section 108 of the Companies Act 2013 read with Rule 20 of MGT Rules the Company had provided e-voting facility for remote e-voting and a detailed instructions on e-voting had been attached to the Notice of Postal Ballot. The Company had appointed Karvy Computershare Private Limited, Hyderabad to provide e-voting facility for conduct of e-voting.</p>	<p>In compliance with Clause 35B of Listing Agreement and the provisions of Section 108 of the Companies Act 2013 read with Rule 20 of MGT Rules the Company had provided e-voting facility for remote e-voting and a detailed instructions on e-voting had been attached to the Notice of Postal Ballot. The Company had appointed Karvy Computershare Private Limited, Hyderabad to provide e-voting facility for conduct of e-voting.</p>



Postal Ballot Dt: May 8, 2014	Postal Ballot Dt: December 1, 2014
The Postal Ballot including e-voting was kept open from May 16, 2014 to June 14, 2014.	The Postal Ballot including e-voting was kept open from December 11, 2014 to January 9, 2015.
After the closure of the Postal Ballot voting period at 5.00 P.M. on June 14, 2014 the e-votes cast were downloaded by the Scrutinizer and the Ballots received were scrutinized and a Report was rendered by the Scrutinizer on June 16, 2014	After the closure of the Postal Ballot voting period at 5.00 P.M. on January 9, 2015 the e-votes cast were downloaded by the Scrutinizer and the Ballots received were scrutinized and a Report was rendered by the Scrutinizer on January 12, 2015.
On the basis of the Report of the Scrutinizer the Chairman announced the results of the Postal Ballot on June 16, 2014 and declared that the resolution was carried by requisite majority. The results were forwarded to the Stock Exchanges and was posted on the Website of the Company at www.axiscades.com and on the Website of Karvy along with a copy of the report of the Scrutinizer on that date.	On the basis of the Report of the Scrutinizer the Chairman announced the results of the Postal Ballot on January 12, 2015 and declared that the resolution was carried by requisite majority. The results were forwarded to the Stock Exchanges and was posted on the Website of the Company at www.axiscades.com and on the Website of Karvy along with a copy of the report of the Scrutinizer on that date.

Postal Ballot after 31st March 2015

The Board of Directors of the Company have proposed a Special resolution to seek approval of the shareholders (subject to the approval of the Central Government) through Postal Ballot for change in the situation (shifting) of the Registered office of the Company from NCT of Delhi to the State of Karnataka. The result of the Postal Ballot has been declared on 19th May, 2015 and Special resolution has been approved by the shareholders.

Special resolution	Votes cast in favour		Votes cast against		Date of declaration of results
	Number of votes cast	%	Number of votes cast	%	
Approving Change in the situation of the Registered office of the company from NCT of Delhi to the State of Karnataka.	16,652,991	100%	06	0	May 19, 2015



Procedure of postal ballot

<p>Postal Ballot Dt: March 30, 2015</p>
<p>Board of Directors decided to change the situation of the Registered office of the company from NCT of Delhi to the State of Karnataka, and proposed to seek the approval of the shareholders through Postal Ballot pursuant to Section 110 of Companies Act 2013 read with Rule 22 of Companies (Management & Administration) Rules 2014 in their meeting held on March 30, 2015.</p>
<p>The Board approved the Notice of Postal Ballot and authorised the Company Secretary to sign and issue the Notice of Postal Ballot. The Board also appointed Mr. Anant Khamankar, Proprietor of M/s Anant B Khamankar & Co., Company Secretaries, Mumbai as the Scrutinizer for conducting the postal ballot process in a fair and transparent manner.</p>
<p>The Notice of Postal Ballot was dispatched to all the shareholders by permitted mode (completed on April 17, 2015) and a Public Notice of completion of dispatch of Postal Ballot was published pursuant to Rule 20 of MGT Rules in one English daily and in one vernacular daily along with necessary particulars on April 18, 2015.</p>
<p>In compliance with Clause 35B of Listing Agreement and the provisions of Section 108 of the Companies Act 2013 read with Rule 20 of MGT Rules the Company had provided e-voting facility for remote e-voting and a detailed instructions on e-voting had been attached to the Notice of Postal Ballot. The Company had appointed Karvy Computershare Private Limited, Hyderabad to provide e-voting facility for conduct of e-voting.</p>
<p>The Postal Ballot including e-voting was kept open from April 18, 2015 to May 17, 2015.</p>
<p>After the closure of the Postal Ballot voting period at 5.00 P.M. on May 17, 2015 the e-votes cast were downloaded by the Scrutinizer and the Ballots received were scrutinized and a Report was rendered by the Scrutinizer on May 19, 2015.</p>
<p>On the basis of the Report of the Scrutinizer the Chairman announced the results of the Postal Ballot on May 19, 2015 and declared that the resolution was carried by requisite majority. The results were forwarded to the Stock Exchanges and was posted on the Website of the Company at www.axiscades.com and on the Website of Karvy along with a copy of the report of the Scrutinizer on that date.</p>

Investors' grievances and Share transfers

The grievances of shareholders are considered and redressed by the Stake holders Relationship Committee in their meetings held from time to time. The Company has received only one shareholder complaint during the year which has been resolved. There are no pending Investor complaints. A certificate from a Practicing Company Secretary pursuant to Clause 47(c) of the Listing Agreement to the effect that all the transfers have been effected within 15 days from the lodgment of documents for transfer or otherwise is obtained and filed with the Stock Exchanges every half year ended September 30, and March 31.

Reconciliation of Share capital

The Company has obtained and filed with the Stock Exchanges Report of Reconciliation of Share Capital Audit conducted by a Practicing Company Secretary pursuant to Regulation 55 of SEBI (Depositories & Participants) Regulations 6 for all the quarters during the year.



Risk Management

The Company has established comprehensive risk assessment procedures, which are reviewed by the Board from time to time. The Risk management policy and mechanism have been discussed in the Board's Report.

Communication to shareholders

The quarterly results, Annual Reports, press notes and releases and all other announcement and Notices are posted promptly on the website of the Company simultaneously with communications to Stock Exchanges from time to time.

Non compliance

There has been no instance of non-compliance by the Company on any matter related to Capital Market during last three financial years and no penalties or strictures were imposed by SEBI, Stock Exchanges or any other concerned authorities.

The Company has complied with applicable rules and regulations prescribed by Stock Exchanges, SEBI or any other statutory authority relating to the capital markets. All Returns/ Reports were filed within prescribed time with Stock Exchanges/ other authorities.

Non Mandatory requirements

The post of Chairman and the CEO are separate in the Company. There are no audit qualifications during the year. The Internal Auditors submit their report to the Audit Committee.

The Company has complied with all the mandatory requirements

CEO/CFO certification

The certificate duly signed by a CEO and CFO of the Company as required under Sub clause IX of Clause 49 of Listing Agreement is attached to this Report.

Auditors' Certificate

Auditors' certificate on compliance of conditions of corporate governance under clause 49 of the listing agreement is attached.

V. GENERAL SHAREHOLDER INFORMATION

Annual General Meeting

Date: **Monday, September 07, 2015**

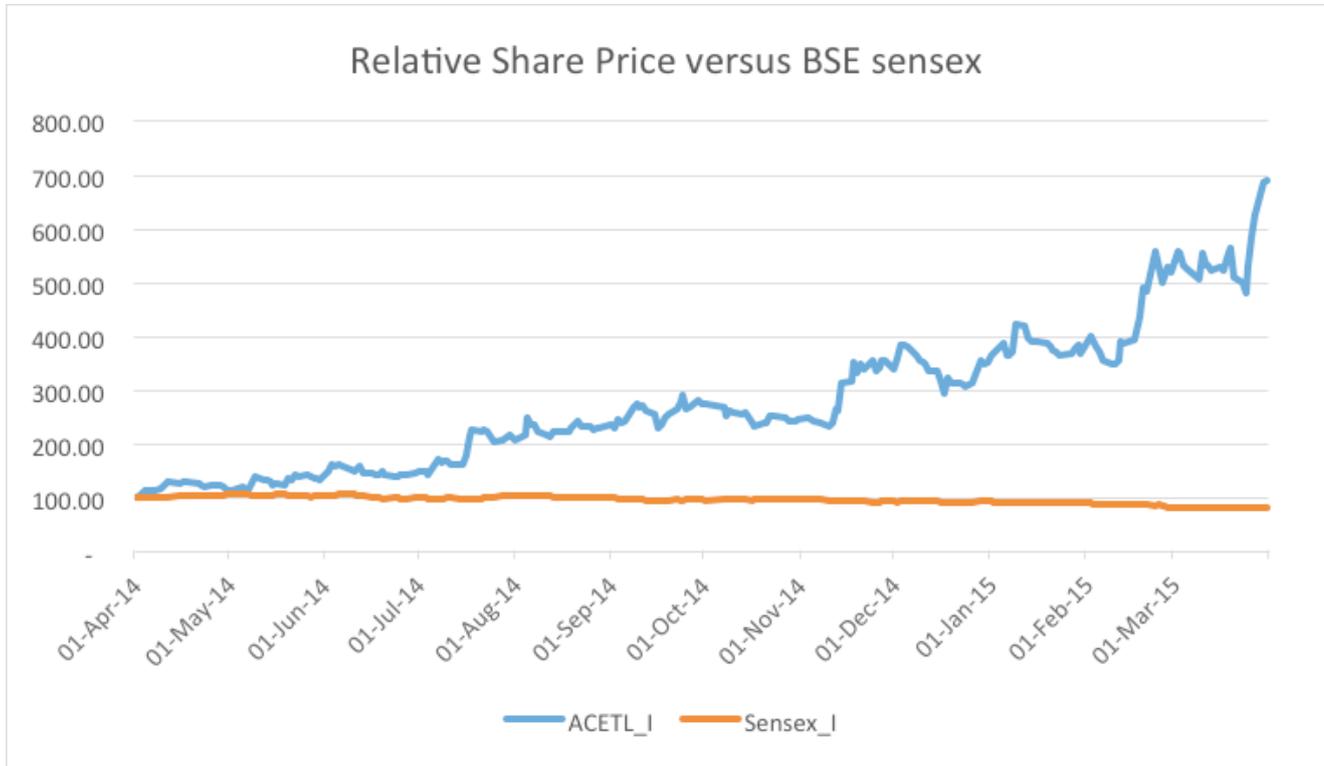
Time: **10.30 a.m.**

Place: **Air Force Auditorium, Subroto Park, New Delhi-110010**

- | | | |
|----|----------------------------|---|
| a) | Financial Year | April 1 to March 31 (2014 -15) |
| b) | Date of Book Closure | August 28, 2015 to September 7, 2015 (both days inclusive.) |
| c) | Dividend Payment Date | N.A. |
| d) | Listing on Stock Exchanges | 1. BSE Limited
P.J. Towers, Dalal Street,
Fort, Mumbai – 400001 |



g) Performance of the Company vis-à-vis Market Indices



h) Registrar and Transfer Agent (RTA)

Karvy Computershare Private Limited
 Karvy Selenium Tower B, Plot 31-32, Gachibowli,
 Financial District, Nanakramguda, Hyderabad – 500 032
 Telephone : 040-67162222
 Fax : 040-23001153
 E-mail: einward.ris@karvy.com

i) Distribution of shareholding as on 31 March 2015:

No. of shares	Holding	% to Capital	No. of accounts	% to total accounts
1-5000	1,233,172	4.54	7688	91.22
5001-10000	425,649	1.55	268	3.18
10001-20000	536,071	1.97	185	2.20
20001-30000	375,340	1.38	75	0.89
30001-40000	285,551	1.05	40	0.47
40001-50000	335,917	1.24	36	0.43
50001-100000	944,963	3.48	66	0.78
100001 and above	23,052,930	84.79	70	0.83
Grand Total	27,189,593	100.00	8428	100.00



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

To,
The Shareholders,
AXISCADES Engineering Technologies Limited

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

All the members of the Board and Senior Management Personnel of the Company have affirmed due observance of the said code of conduct in so far as it is applicable to them and there is no non-compliance thereof during the year ended 31st March 2015

-sd-
Valmeekanathan S.
CEO
AXISCADES Engineering Technologies Limited



AUDITORS' CERTIFICATE ON COMPLIANCE OF CONDITIONS OF CORPORATE GOVERNANCE UNDER CLAUSE 49 OF THE LISTING AGREEMENT

To the Members of AXISCADES Engineering Technologies Limited

We have examined the compliance of conditions of Corporate Governance by AXISCADES Engineering Technologies Limited ("the Company") for the year ended 31 March 2015 as stipulated in clause 49 of the Listing Agreement of the said Company with the said stock exchanges.

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

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

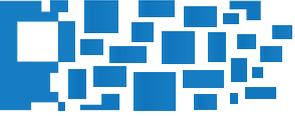
We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

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

-sd-
per Aasheesh Arjun Singh
Partner
Membership No.: 210122

Bengaluru
August 12, 2015

CEO and CFO certificate



(CEO and CFO certificate under Clause 49 of Listing Agreement)

To

The Board of Directors
AXISCADES Engineering Technologies Limited

Dear Sirs,

Certification under Clause 49 of the listing Agreement

We, S. Valmeekanathan, Chief Executive Officer and Kaushik Sarkar, Chief Finance Officer, hereby certify that.

(a) We have reviewed financial statements and the cash flow statement for the year ended 31st March 2015 and that to the best of our knowledge and belief.

(i) These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading.

(ii) These statements together present a true and fair view of the Company's affair and are in compliance with the existing accounting standards, applicable laws and regulations.

(b) There are to the best of our knowledge and belief no transactions entered into by the Company during the years which are fraudulent, illegal or violate the Company's code of conduct.

(c) We accept the responsibility for establishing and maintaining internal controls for the financial reporting, and that we have evaluated the effectiveness of internal control systems of the Company pertaining to the financial reporting and we have disclosed to the auditors and the Audit Committee, deficiencies, if any, in the design or operation of such internal controls and the steps taken or proposed to be taken to rectify these deficiencies.

(d) We have indicated to the auditors and the Audit committee

i. significant changes, if any, in internal control over financial reporting during the year;

ii. significant changes, if any, in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and

iii. Instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the company's internal control system over financial reporting.

-sd-

[Valmeekanathan S.]
Chief Executive Officer

-sd-

[Kaushik Sarkar]
Chief Financial Officer

Date: May 18, 2015



STANDALONE FINANACIAL STATEMENTS

6m22

857

2889

4855

Independent Auditors' Report



To the Members of AXISCADES Engineering Technologies Limited

Report on the Standalone Financial Statements

1. We have audited the accompanying standalone financial statements of AXISCADES Engineering Technologies Limited ("the Company"), which comprise the Balance Sheet as at 31 March 2015, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

2. The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements, that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 (as amended). This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act; safeguarding the assets of the Company; preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

3. Our responsibility is to express an opinion on these standalone financial statements based on our audit.

4. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

5. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the standalone financial statements are free from material misstatement.

6. An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial controls relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.



Independent Auditors' Report to the members of AXISCADES Engineering Technologies Limited (Cont'd)

7. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

Opinion

8. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2015, its profit and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

9. As required by the Companies (Auditor's Report) Order, 2015 ("the Order") issued by the Central Government of India in terms of Section 143(11) of the Act, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order.

10. As required by Section 143(3) of the Act, we report that:

a. we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;

b. in our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;

c. the standalone financial statements dealt with by this report are in agreement with the books of account;

d. in our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 (as amended);

e. on the basis of the written representations received from the directors as on 31 March 2015 and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2015 from being appointed as a director in terms of Section 164(2) of the Act and

f. with respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

- i. the Company does not have any pending litigations which would impact its standalone financial position;
- ii. the Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses; and
- iii. there were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For Walker Chandiook & Co LLP

(formerly Walker Chandiook & Co)

Chartered Accountants

Firm Registration No.: 001076N/N500013

-sd-

per Aasheesh Arjun Singh

Partner

Membership No.: 210122

New Delhi

18 May 2015



Annexure to the Independent Auditors' Report of even date to the members of AXISCADES Engineering Technologies Limited, on the standalone financial statements for the year ended 31 March 2015

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

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) The Company has a regular program of physical verification of its fixed assets under which fixed assets are verified in a phased manner over a period of three years, which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.
- (ii) The Company does not have any tangible inventory. Accordingly, the provisions of clause 3(ii) of the Order are not applicable.
- (iii) The Company has not granted any loan, secured or unsecured to companies, firms or other parties covered in the register maintained under Section 189 of the Act. Accordingly, the provisions of clauses 3(iii)(a) and 3(iii)(b) of the Order are not applicable.
- (iv) Owing to the nature of its business, the Company does not maintain any physical inventories or sell any goods. Accordingly, clause 3(iv) of the Order with respect to

purchase of inventories and sale of goods is not applicable. In our opinion, there is an adequate internal control system commensurate with the size of the Company and the nature of its business for the purchase of fixed assets and for the sale of services. During the course of our audit, no major weakness has been noticed in the internal control system in respect of these areas.

(v) The Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable.

(vi) To the best of our knowledge and belief, the Central Government has not specified maintenance of cost records under sub-section (1) of Section 148 of the Act, in respect of Company's services. Accordingly, the provisions of clause 3(vi) of the Order are not applicable.

(vii) (a) Undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, wealth tax, service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues, as applicable, have generally been regularly deposited with the appropriate authorities, though there has been a slight delay in a few cases. Further, no undisputed amounts payable in respect thereof were outstanding at the year-end for a period of more than six months from the date they became payable.



Annexure to the Independent Auditors' Report of even date to the members of AXISCADES Engineering Technologies Limited, on the standalone financial statements for the year ended 31 March 2015

- (b) The dues outstanding in respect of income-tax, sales-tax, wealth tax, service tax, duty of customs, duty of excise, value added tax and cess on account of any dispute, are as follows:

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

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

- (c) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company in accordance with the relevant provisions of the Companies Act, 1956 (1 of 1956) and rules made thereunder. Accordingly, the provisions of clause 3(vii)(c) of the Order are not applicable.

(viii) In our opinion, the Company has no accumulated losses at the end of the financial year and it has not incurred cash losses in the current and the immediately preceding financial year.

(ix) The Company has not defaulted in repayment of dues to any bank during the year. The Company has no dues payable to a financial institution and did not have any outstanding debentures during the year.

(x) The Company has not given any guarantees for loans taken by others from banks or financial institutions. Accordingly, the provisions of clause 3(x) of the Order are not applicable.

(xi) In our opinion, the Company has applied the term loans for the purpose for which these loans were obtained.

(xii) No fraud on or by the Company has been noticed or reported during the period covered by our audit.

For Walker Chandiook & Co LLP
(formerly Walker Chandiook & Co)
Chartered Accountants
Firm Registration No.: 001076N/N500013

-sd-

per Aasheesh Arjun Singh
Partner
Membership No.: 210122

New Delhi
18 May 2015



Standalone Balance Sheet



	NOTE	As at 31 March 2015 ₹	As at 31 March 2014 ₹
EQUITY AND LIABILITIES			
SHAREHOLDERS' FUNDS			
Share capital	4	13,61,01,265	9,99,55,705
Reserves and surplus	5	74,47,63,767	63,48,28,975
		88,08,65,032	73,47,84,680
Shares pending allotment	2	-	3,61,45,560
NON-CURRENT LIABILITIES			
Long-term borrowings	6	95,00,000	8,27,07,895
Long-term provisions	7	3,46,80,644	2,63,23,938
		4,41,80,644	10,90,31,833
CURRENT LIABILITIES			
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
		46,88,81,165	51,09,22,537
TOTAL		1,39,39,26,841	1,39,08,84,610
ASSETS			
NON-CURRENT ASSETS			
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
		61,20,90,492	71,43,75,189
CURRENT ASSETS			
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
		78,18,36,349	67,65,09,421
TOTAL		1,39,39,26,841	1,39,08,84,610

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 Chandio & Co LLP**
(formerly Walker, Chandio & Co)
Chartered Accountants

For and on behalf of the Board of Directors

-sd-

Valmeekanathan S.
CEO and Director

-sd-

Kedarnath Choudhury
Director

-sd-

per **Aasheesh Arjun Singh**
Partner

-sd-

Kaushik Sarkar
CFO and Director

-sd-

Shweta Agrawal
Company Secretary

New Delhi
18 May 2015

New Delhi
18 May 2015

New Delhi
18 May 2015



Standalone Profit & Loss



	NOTE	Year ended 31 March 2015 ₹	Year ended 31 March 2014 ₹
INCOME			
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
TOTAL		1,89,57,11,917	1,83,13,16,426
EXPENSES			
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
TOTAL		1,59,04,49,298	1,61,96,29,914
EARNINGS BEFORE INTEREST, TAX, DEPRECIATION AND AMORTISATION (EBITDA)		30,52,62,619	21,16,86,512
Depreciation and amortisation expense	24	8,04,35,987	7,04,02,162
Finance costs	25	2,30,28,814	3,44,40,775
PROFIT BEFORE EXCEPTIONAL ITEMS AND TAX		20,17,97,818	10,68,43,575
Exceptional items	26	2,97,08,236	35,00,000
PROFIT BEFORE TAX		17,20,89,582	10,33,43,575
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)
NET PROFIT FOR THE YEAR		11,32,37,346	8,20,33,900
Earnings per equity share:	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

New Delhi
18 May 2015



Standalone Cash Flow Statement



	Year ended 31 March 2015 ₹	Year ended 31 March 2014 ₹
A Cash flow from operating activities		
Profit before tax	17,20,89,582	10,33,43,575
Adjustment for :		
Depreciation and amortisation expense	8,04,35,987	7,04,02,162
Unrealised foreign exchange loss/ (gain)	22,75,807	(78,01,134)
Finance costs	2,30,28,814	3,44,40,775
Miscellaneous expenditure written off	-	5,19,000
Provision for gratuity and compensated absences	1,14,74,030	79,22,923
Provision for doubtful debts and unbilled revenue	36,77,987	1,06,48,829
Diminution in value of non-current investment	74,13,658	35,00,000
Provision no longer required, written back	(35,22,007)	-
Interest income	(45,60,281)	(43,31,460)
Operating profit before working capital changes	29,23,13,577	21,86,44,670
Movements in working capital		
Decrease in trade receivables	4,54,91,228	1,75,62,923
Increase in other current assets	(11,46,03,213)	(4,76,20,828)
(Decrease)/increase in loans and advances	3,84,97,080	(4,00,12,653)
Decrease in trade payables	(4,75,47,513)	(75,00,371)
Decrease in provisions	(33,71,582)	(61,19,480)
Cash from operating activities	21,07,79,577	13,49,54,261
Direct taxes paid (Net of refunds)	(3,36,92,763)	(85,60,935)
Net cash from operating activities (A)	17,70,86,814	12,63,93,326
B Cash flow from investing activities		
Purchase of fixed assets	(4,04,53,491)	(78,18,860)
Development of intangible assets	-	(1,74,38,811)
Interest received	43,42,234	49,06,551
Realisation from/(investments in) fixed deposits, net	1,10,43,099	(70,45,276)
Investment acquired in subsidiary	-	(7,41,66,536)
Net cash (used in) investment activities (B)	(2,50,68,158)	(10,15,62,932)
C Cash flow from financing activities		
Repayments of intercorporate deposits	(77,07,895)	(8,30,84,210)
Proceeds from/ (repayments of) working capital loan, net	5,77,83,099	(7,20,56,337)
Proceeds from term loan from bank	1,50,00,000	15,00,00,000
Repayments of term loan from bank	(13,50,00,000)	(2,07,00,000)
Finance costs paid	(2,30,28,814)	(3,44,40,775)
Net cash (used in) financing activities (C)	(9,29,53,610)	(6,02,81,322)
Net increase/(decrease) in cash and cash equivalents (A+B+C)	5,90,65,046	(3,54,50,928)
Cash and cash equivalents acquired on merger of Cades into Axis (Also, refer note 2)	-	5,41,65,848
Cash and cash equivalents as at beginning of the year	2,04,78,776	17,63,856
Cash and cash equivalents as at end of the year	7,95,43,822	2,04,78,776

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

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

-sd-
per Aasheesh Arjun Singh
Partner

New Delhi
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

New Delhi
18 May 2015



Notes to the financial statements for the year ended 31 March 2015



1 BACKGROUND

AXISCADES Engineering Technologies Limited ('the Company/AXISCADES'), a public limited company, operates in the business of Engineering Design Services. The Company's shares are listed for trading on the National Stock Exchange of India Limited and BSE Limited in India. On 01 August 2014, the Company received the approval from the Registrar of Companies, New Delhi to change its name. Subsequent to the approval, the Company is now known as AXISCADES Engineering Technologies Limited.

2 SCHEME OF ARRANGEMENT (SCHEME)

(a) The Board of Directors of the Company, in the meeting held on 23 January 2013 had approved the Scheme of Arrangement ('the Scheme') whereby Cades Digitech Private Limited ('subsidiary/Cades') was proposed to be merged with the Company, the transferee company.

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

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

(Amount in ₹)

Cades Digitech Private Limited As at 01 April 2012

NON-CURRENT ASSETS

Fixed assets (net)	7,25,10,759
Intangible assets under development	7,71,63,400
Non-current investments	9,596
Long-term loans and advances	6,34,80,258
	21,31,64,013

CURRENT ASSETS

Trade receivables	31,70,04,344
Cash and bank balances	4,67,58,723
Short-term loans and advances	4,42,35,803
Other current assets	7,07,67,066
	47,87,65,936

TOTAL

A **69,19,29,949**

RESERVES AND SURPLUS

Deficit in Statement of Profit and Loss	(48,61,02,189)
Hedge reserve	(81,41,154)
Securities premium	65,49,61,656
	16,07,18,313

NON-CURRENT LIABILITIES

Long-term borrowings	57,00,000
Long-term provisions	99,59,214
	1,56,59,214

CURRENT LIABILITIES

Short-term borrowings	13,45,71,451
Trade payables	9,98,09,614
Other current liabilities	9,94,90,492
Short-term provisions	42,61,515
	33,81,33,072

TOTAL

B **51,45,10,599**

Net value of assets transferred pursuant to Scheme of Arrangement

C = A-B 17,74,19,350

Investment by Axis in Cades (9,067,000 equity shares of ₹10 each, fully paid up)

D 10,58,47,435

Equity shares to be issued, held in shares pending allotment account (7,229,112 equity shares of ₹5 each, fully paid up)

E 3,61,45,560

Surplus credited to Capital Reserve

F = C - (D+E) 3,54,26,355



Notes to the financial statements for the year ended 31 March 2015 (cont'd)



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

	(Amount in ₹)
Capital reserve	3,54,26,355
Securities premium	51,62,21,117
Total	<u>55,16,47,472</u>

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

- (d) The net profit of Cades for the year ended 31 March 2013 amounting to ₹42,658,228 had been added to the accumulated surplus under the Statement of Profit and Loss of the Company and the results of operations of Cades had been included with that of the Company for the year ended 31 March 2014.
- (e) Included in the reversal of excess tax provision for the year ended 31 March 2014 is ₹ 8,554,748 representing the provision for tax no longer required consequent to the revised return of income tax to be filed for the assessment year 2013-14 pursuant to the merger of Cades with the Company. Additionally, during the year ended 31 March 2014, the Company has also recognised a MAT credit of ₹ 11,508,959 representing the credit available to the Company for the assessment year 2013-14, consequent to the merger of Cades pursuant to the Scheme.
- (f) Pursuant to the Scheme, the shareholders of Cades were eligible to receive 10 equity shares of Axis of par value of ₹ 5 each fully paid up for 12 equity shares held in Cades of par value of ₹ 10 each fully paid up ('Swap ratio'), with record date being 11 April 2014 as fixed by the Board of Directors of the Company. Pending the allotment of said equity shares, the amount of ₹ 36,145,560 (7,229,112 equity shares of par value of ₹ 5 each) had been included under the Shares pending allotment account as at 31 March 2014. The said equity shares have been allotted on 9 July 2014.

3 SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of preparation of financial statements

The financial statements of the Company have been prepared under historical cost convention in accordance with the generally accepted accounting principles in India (Indian GAAP). The Company has prepared these financial statements to comply in all material respects with the accounting standards notified under Section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules 2014. The accounting policies applied by the Company are consistent with those used in the prior period.

(b) Use of estimates

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

(c) Revenue recognition

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

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

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

Interest

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



Notes to the financial statements for the year ended 31 March 2015 (cont'd)



3 SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

(d) Fixed assets and depreciation/amortisation

Tangible

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

Intangible assets

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

Intangibles under development

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

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

Depreciation/amortisation

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

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

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

* For these class of assets, based on internal assessment, the management believes that the useful lives as given above best represents the period over which management expects to use these assets. Hence, the useful lives for these assets is different from the useful lives as prescribed under Part C of Schedule II of the Companies Act 2013.

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

Non-compete fee is amortised over the period of expected benefit. Goodwill on amalgamation is being amortised over the period of 5 years. Process manuals are amortised over the period of 7 years (project term) or the useful life of the process manual, whichever is shorter. Assets under capital lease are amortised over their estimated useful life or the lease term whichever is lower.

(e) Impairment of assets

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

Notes to the financial statements for the year ended 31 March 2015 (cont'd)



3 SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

(f) Investments

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

(g) Foreign currency transactions

Initial recognition

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

Conversion

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

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

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

(h) Derivative instruments and hedge accounting

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

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

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

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

(i) Employee benefits

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

Provident fund

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

Overseas social security

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

Gratuity

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

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

Compensated absences

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

Other short-term benefits

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



Notes to the financial statements for the year ended 31 March 2015 (cont'd)



3 SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

(j) Borrowing costs

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

(k) Leases

Finance leases

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

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

Operating leases

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

(l) Provisions and contingent liabilities

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

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

(m) Earnings /(Loss) per share

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

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

(n) Income taxes

Current tax

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

Deferred tax

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

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

(o) Cash and cash equivalents

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



Notes to the financial statements for the year ended 31 March 2015 (cont'd)



	As at 31 March 2015		As at 31 March 2014	
	Number	₹	Number	₹
4 SHARE CAPITAL				
Authorised				
Equity shares of ₹ 5 each	10,80,00,000	54,00,00,000	10,80,00,000	54,00,00,000
Preference shares of ₹ 100 each	1,00,000	1,00,00,000	1,00,000	1,00,00,000
	10,81,00,000	55,00,00,000	10,81,00,000	55,00,00,000
Issued share capital				
Equity shares of ₹ 5 each fully paid up	2,72,40,693	13,62,03,465	2,00,11,581	10,00,57,905
Subscribed and paid up				
Equity shares of ₹ 5 each fully paid	2,71,89,593	13,59,47,965	1,99,60,481	9,98,02,405
Add: Forfeited shares (amount originally paid ₹ 3 per share on 51,100 equity shares)	-	1,53,300	-	1,53,300
	2,71,89,593	13,61,01,265	1,99,60,481	9,99,55,705

(a) Reconciliation of the equity shares	As at 31 March 2015		As at 31 March 2014	
	Number	₹	Number	₹
Balance at the beginning of the year	1,99,60,481	9,99,55,705	1,99,60,481	9,99,55,705
Add : Issued during the year (Also, refer note 2 (f))	72,29,112	3,61,45,560	-	-
Balance at the end of the year	2,71,89,593	13,61,01,265	1,99,60,481	9,99,55,705

(b) Terms and rights attached to equity shares

The Company has only one class of equity shares having a par value of ₹ 5 per share. Each equity share is entitled to one vote per share. The dividend, if any, proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting shall be payable in Indian rupees. In the event of liquidation of the company, the shareholders will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

(c) Shares held by the Holding Company and subsidiaries of Holding Company

	As at 31 March 2015		As at 31 March 2014	
	Number	₹	Number	₹
Ultimate Holding Company:				
Jupiter Capital Private Limited	2,36,178	11,80,890	-	-
Subsidiaries of Ultimate Holding Company:				
Tayana Digital Private Limited	1,21,42,100	6,07,10,500	1,21,42,100	6,07,10,500
Indian Aero Ventures Private Limited	36,96,236	1,84,81,180	-	-

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

	As at 31 March 2015		As at 31 March 2014	
	Number	₹	Number	₹
(i) Tayana Digital Private Limited	1,21,42,100	6,07,10,500	1,21,42,100	6,07,10,500
(ii) Yukti Securities Private Limited *	5,72,208	28,61,040	11,72,208	58,61,040
(iii) Indian Aero Ventures Private Limited	36,96,236	1,84,81,180	-	-
	1,64,10,544	8,20,52,720	1,33,14,308	6,65,71,540

* The shareholding has reduced to less than 5% during the current year.

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



Notes to the financial statements for the year ended 31 March 2015 (cont'd)



5 RESERVES AND SURPLUS	As at	As at
	31 March 2015	31 March 2014
	₹	₹
(a) Securities premium account		
Balance at the beginning of the year	43,68,69,738	29,81,29,199
Add: Addition on account of the Scheme (Also, refer note 2)	-	65,49,61,656
Less: Deficit transferred from Statement of Profit and Loss as per the Scheme (Also, refer note 2)	-	(51,62,21,117)
Balance at the end of the year	43,68,69,738	43,68,69,738
(b) Capital reserve account		
Balance at the beginning of the year	-	-
Add: Reserve created as per the Scheme (Also, refer note 2)	-	3,54,26,355
Less: Deficit transferred from Statement of Profit and Loss as per the Scheme (Also, refer note 2)	-	(3,54,26,355)
Balance at the end of the year	-	-
(c) Surplus/(Deficit) in the Statement of Profit and Loss		
Balance at the beginning of the year	19,87,09,924	84,72,513
Add: Addition on account of the Scheme (Also, refer note 2)	-	(48,61,02,189)
Add: Net Profit of Cades for the period from 1 April 2012 (appointed date) to 31 March 2013 (Also, refer note 2)	-	4,26,58,228
	19,87,09,924	(43,49,71,448)
Add: Deficit adjusted through transfer to Capital Reserve and Securities Premium account (see notes (a) and (b) above) as per the Scheme of Arrangement (Also, refer note 2)	-	55,16,47,472
Add : Transferred from Statement of Profit and Loss	11,32,37,346	8,20,33,900
Balance at the end of the year	31,19,47,270	19,87,09,924
(d) Hedge reserve		
Balance at the beginning of the year	(7,50,687)	-
Movement during the year	(33,02,554)	(7,50,687)
Balance at the end of the year	(40,53,241)	(7,50,687)
Total	74,47,63,767	63,48,28,975

6 BORROWINGS

	As at		As at	
	31 March 2015		31 March 2014	
	Long-term	Short-term	Long-term	Short-term
	₹	₹	₹	₹
Secured				
Term loan	1,50,00,000	-	13,50,00,000	-
Less: Current maturities of long-term borrowings (Also, refer note 10)	(55,00,000)	-	(6,00,00,000)	-
	95,00,000	-	7,50,00,000	-
Working capital loan	-	24,58,73,701	-	18,66,53,278
Unsecured				
Intercompany deposit	-	-	77,07,895	-
Total	95,00,000	24,58,73,701	8,27,07,895	18,66,53,278

(a) Details of security for borrowings

Term loan from a Bank is secured by exclusive charge on both moveable and immoveable assets of the company; first charge on land and building of the Company situated at D-30 Sector 3, Noida, UP and by a corporate guarantee from AXISCADES Aerospace & Technologies Private Limited for ₹ 50 million (31 March 2014: ₹ 150 million).

Working capital loans (inclusive of packing credit facility in foreign currency) from a bank are secured by first exclusive charge on current assets, exclusive charge on movable assets and second exclusive equitable mortgage on land and building of the Company situated at D-30, Sector 3, Noida, UP and by a corporate guarantee from AXISCADES Aerospace & Technologies Private Limited for ₹ 302.5 million (31 March 2014: ₹ 200 million). Additionally, 20% cash margin in the form of fixed deposits lien to be maintained if PCFC availment exceeds ₹ 102.5 million.

(b) Terms of borrowings and rate of interest

Term loans having an interest rate of Bank's base rate plus 2.50 % subject to a minimum of 13% are repayable from May 2015 over 30 equal monthly instalments post a moratorium of 6 months.(31 March 2014: term loans having an interest rate of bank's base rate plus 2.50% were repayable from March 2014 over 10 equal quarterly instalments.)

Packing credit in foreign currency from bank bearing an interest rate of 3% - 6% (31 March 2014: 3% - 6%) are repayable over maximum tenure of 180 days from the date of respective availment.

Intercompany deposits carrying an interest rate of 11% (31 March 2014: 11%) per annum has been fully repaid in the current year.



Notes to the financial statements for the year ended 31 March 2015 (cont'd)



7 PROVISIONS	As at 31 March 2015		As at 31 March 2014	
	Long-term ₹	Short-term ₹	Long-term ₹	Short-term ₹
Provision for employee benefits				
Gratuity (Also, refer note 8(a) below)	2,29,28,629	6,25,029	1,83,01,933	4,69,255
Compensated absences	1,16,69,734	20,01,191	78,92,560	24,11,223
				-
	3,45,98,363	26,26,220	2,61,94,493	28,80,478
Other provisions				
Fringe benefit tax, net of advance tax	82,281	-	1,29,445	-
	82,281	-	1,29,445	-
	3,46,80,644	26,26,220	2,63,23,938	28,80,478

8 EMPLOYEE BENEFIT OBLIGATIONS

(a) Gratuity

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

	Year ended 31 March 2015 ₹	Year ended 31 March 2014 ₹
Changes in the present value of the defined benefit obligation are as follows:		
Defined benefit obligation at the beginning of the year	1,87,71,188	70,38,172
Defined benefit obligation assumed pursuant to the Scheme (Also, refer note 2)	-	74,48,943
Current service cost	54,83,258	46,30,311
Past service cost	(5,72,925)	-
Interest cost	17,21,318	5,75,071
Benefits paid	(25,17,551)	(15,27,057)
Actuarial loss/(gains)	6,68,370	6,05,748
Defined benefit obligation at the end of the year	2,35,53,658	1,87,71,188

Components of net gratuity costs are

Current service cost	54,83,258	46,30,311
Past service cost	(5,72,925)	-
Interest on defined benefit obligation	17,21,318	5,75,071
Net actuarial loss/(gains) recognised in year	6,68,370	6,05,748
Expenses recognised in the Statement of Profit and Loss for the year	73,00,021	58,11,130

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

Discount rate	8.00%	9.17%
Salary escalation rate	5.60%	5.60%
Retirement age	60 Years	58 Years

Experience adjustments for the year and present value of unfunded obligations as at:

	31 March 2011	31 March 2012	31 March 2013	31 March 2014	31 March 2015
Experience adjustments	(22,27,395)	(3,43,681)	(5,40,471)	6,05,748	(5,59,131)
Net liability recognised in the Balance Sheet	35,13,678	47,90,949	70,38,172	1,87,71,188	2,35,53,658



Notes to the financial statements for the year ended 31 March 2015 (cont'd)



(b) Defined contribution plan

The Company makes contribution of statutory provident fund as per Employees Provident Fund and Miscellaneous Provision Act, 1952. This is a defined contribution plan as per AS 15. Contribution made during the year ended 31 March 2015 is ₹ 24,308,361 (31 March 2014 : ₹ 20,948,824).

(c) Overseas social security

The Company makes contribution towards social security charges for its employees located at the respective branch offices in respective foreign geographies, which is a defined contribution plan. The contributions paid or payable is recognised as an expense in the period in which the employee renders services in respective geographies. Contribution made during the year ended 31 March 2015 is ₹ 65,578,045 (31 March 2014 : ₹ 67,309,109).

9 TRADE PAYABLES

Dues to micro and small enterprises (Also, refer note (a) below)
Dues to others

	As at 31 March 2015 ₹	As at 31 March 2014 ₹
	-	-
	10,82,69,798	15,36,03,580
	<u>10,82,69,798</u>	<u>15,36,03,580</u>

(a) The management has identified enterprises which have provided goods and services to the Company and which qualify under the definition of micro and small enterprises, as defined under Micro, Small and Medium Enterprises Development Act, 2006 (MSMEDA). Accordingly, the disclosure in respect of the amounts payable to such enterprises as at 31 March 2015 has been made in the financials statements based on information received and available with the Company. Further, in the view of the management, the impact of interest, if any, that may be payable in accordance with the provisions of the MSMEDA is not expected to be material.

10 OTHER CURRENT LIABILITIES

Duties and taxes payable
Advance from customers
Dues to employees
Current maturities of long-term borrowings (Also, refer note 6)
Creditors for capital goods
Hedge liability

	As at 31 March 2015 ₹	As at 31 March 2014 ₹
	3,00,12,430	2,56,09,107
	4,09,94,482	5,26,32,740
	2,70,62,833	2,45,84,881
	55,00,000	6,00,00,000
	44,88,460	42,07,787
	40,53,241	7,50,686
	<u>11,21,11,446</u>	<u>16,77,85,201</u>



Notes to the financial statements for the year ended 31 March 2015 (cont'd)

11 TANGIBLE ASSETS

	Freehold land	Computers	Furniture and fixtures	Office equipments	Electrical installations	Office building	Vehicles	Leasehold improvements	Total
Gross block									(Amount in ₹)
Balance as at 1 April 2013	22,64,437	3,77,31,963	1,08,97,095	84,47,974	20,59,794	1,65,81,724	17,56,330	14,14,400	8,11,53,717
Acquired pursuant to the Scheme (Also, refer note 2)	-	4,72,61,538	42,72,976	75,54,528	-	-	-	27,75,981	6,18,65,023
Additions	-	34,95,547	1,54,535	6,49,095	-	-	-	2,18,566	45,17,743
Balance as at 31 March 2014	22,64,437	8,84,89,048	1,53,24,606	1,66,51,597	20,59,794	1,65,81,724	17,56,330	44,08,947	14,75,36,483
Additions	-	1,02,67,528	-	28,35,223	-	-	30,77,581	2,69,587	1,64,49,919
Deletions	-	-	3,42,495	2,75,497	-	-	-	-	6,17,992
Balance as at 31 March 2015	22,64,437	9,87,56,576	1,49,82,111	1,92,11,323	20,59,794	1,65,81,724	48,33,911	46,78,534	16,33,68,410
Accumulated depreciation									
Balance as at 1 April 2013	-	2,30,42,616	78,28,489	56,82,197	20,59,794	33,09,924	16,95,700	3,30,380	4,39,49,100
Assumed pursuant to the Scheme (Also, refer note 2)	-	2,88,75,163	3,30,063	14,98,213	-	-	-	1,40,144	3,08,43,583
Charge for the year	-	1,74,66,549	14,45,163	18,04,433	-	2,70,282	60,630	12,90,230	2,23,37,287
Balance as at 31 March 2014	-	6,93,84,328	96,03,715	89,84,843	20,59,794	35,80,206	17,56,330	17,60,764	9,71,29,970
Charge for the year	-	1,46,31,541	16,88,723	19,98,801	-	2,70,282	3,74,369	7,84,460	1,97,48,176
Deletions	-	-	76,833	7,766	-	-	-	-	84,599
Balance as at 31 March 2015	-	8,40,15,869	1,12,15,605	1,09,75,878	20,59,794	38,50,488	21,30,699	25,45,214	11,67,93,547
Net block									
At 31 March 2014	22,64,437	1,91,04,720	57,20,891	76,66,754	-	1,30,01,518	-	26,48,193	5,04,06,513
At 31 March 2015	22,64,437	1,47,40,707	37,66,506	82,35,445	-	1,27,31,236	27,03,212	21,33,320	4,65,74,863

**Notes to the financial statements for the year ended
31 March 2015 (cont'd)**

12 INTANGIBLE ASSETS

	Non-competete fees	Softwares	Process manuals	Goodwill on amalgamation	(Amount in ₹) Total
Gross block					
Balance as at 1 April 2013	19,71,000	7,81,42,801	-	1,64,45,348	9,65,59,149
Acquired pursuant to the Scheme (Also, refer note 2)	-	22,78,38,866	-	-	22,78,38,866
Additions	-	74,79,624	4,08,30,631	-	4,83,10,255
Balance as at 31 March 2014	19,71,000	31,34,61,291	4,08,30,631	1,64,45,348	37,27,08,270
Additions	-	2,35,10,615	14,26,57,005	-	16,61,67,620
Balance as at 31 March 2015	19,71,000	33,69,71,906	18,34,87,636	1,64,45,348	53,88,75,890
Accumulated amortisation					
Balance as at 1 April 2013	19,71,000	3,98,83,454	-	1,64,45,348	5,82,99,802
Assumed pursuant to the Scheme (Also, refer note 2)	-	18,97,91,945	-	-	18,97,91,945
Charge for the year	-	4,48,66,629	31,98,246	-	4,80,64,875
Balance as at 31 March 2014	19,71,000	27,45,42,028	31,98,246	1,64,45,348	29,61,56,622
Charge for the year	-	3,14,44,177	2,92,43,634	-	6,06,87,811
Balance as at 31 March 2015	19,71,000	30,59,86,205	3,24,41,880	1,64,45,348	35,68,44,433
Net block					
At 31 March 2014	-	3,89,19,263	3,76,32,385	-	7,65,51,648
At 31 March 2015	-	3,09,85,701	15,10,45,756	-	18,20,31,457



Notes to the financial statements for the year ended 31 March 2015 (cont'd)



13 INTANGIBLE ASSETS UNDER DEVELOPMENT

	Process manuals	(Amount in ₹) Total
Balance as at 1 April 2013		
Acquired pursuant to the Scheme (Also, refer note 2)	16,47,41,807	16,47,41,807
Additions during the year	1,74,38,811	1,74,38,811
Less: Capitalised during the year	4,08,30,631	4,08,30,631
Balance as at 31 March 2014	14,13,49,987	14,13,49,987
Additions during the year	13,07,018	13,07,018
Less: Capitalised during the year	14,26,57,005	14,26,57,005
Balance as at 31 March 2015	-	-

14 NON-CURRENT INVESTMENTS

	As at 31 March 2015 ₹	As at 31 March 2014 ₹
(Unquoted, valued at cost unless stated otherwise)		
Trade		
Investments in equity instruments		
In subsidiaries		
Axis Inc. 19,725 (31 March 2014 : 19,725) equity shares	14,89,06,359	14,89,06,359
Cades Studec Technologies (India) Private Limited 475,000 equity shares (31 March 2014 : 475,000) of 10 each	7,19,66,083	7,19,66,083
Cades Technology Canada Inc. 100 equity shares (31 March 2014 : 100) of CAN\$ 1 each	4,596	4,596
Axis Mechanical Engineering Design (Wuxi) Co., Ltd.,	42,68,488	42,68,488
Other investments		
Axis Cogent Global Limited 946,822 (31 March 2014 : 946,822) equity shares of ₹ 10 each fully paid up	1,09,13,658	1,09,13,658
Datum Technology Limited 50,000 (31 March 2014 : 50,000) equity shares of ₹ 10 each	5,00,000	5,00,000
Less : Provision for diminution in the value of long term investments		
Datum Technology Limited	(5,00,000)	(5,00,000)
Axis Cogent Global Limited	(1,09,13,658)	(35,00,000)
	(1,14,13,658)	(40,00,000)
Others		
National Savings Certificates	5,000	5,000
	22,51,50,526	23,25,64,184

15 TRADE RECEIVABLES (Unsecured)

Outstanding for a period exceeding six months from the date they are due for payment		
Considered good	86,65,251	1,00,23,241
Doubtful	2,13,90,785	8,29,60,710
	3,00,56,036	9,29,83,951
Less : Allowances for doubtful debts	(2,13,90,785)	(8,29,60,710)
	86,65,251	1,00,23,241
Other debts		
Considered good	37,65,34,374	42,42,05,324
	38,51,99,625	43,42,28,565

As at 31 March 2015, trade receivables include a sum of ₹ 9,543,335 (31 March 2014: ₹ 42,675,190) foreign currency receivables outstanding for more than 365 days. In this regard, the Company has filed for extension with its Authorised Dealer as per the required provisions of Foreign Exchange Management Act, 1999.



Notes to the financial statements for the year ended 31 March 2015 (cont'd)



16 DEFERRED TAXES

	As at 31 March 2015 ₹	As at 31 March 2014 ₹
Deferred tax assets		
Provision for doubtful trade receivables	74,02,923	2,69,16,602
Provision for unbilled revenue	36,32,935	34,05,877
Provision for employee benefits	1,28,82,684	96,25,685
Lease rent equalisation	21,46,368	10,93,693
Expenses disallowed u/s Section 35DD of Income-tax Act, 1961	61,03,350	-
Provision for doubtful service tax	5,01,375	4,70,039
Total	3,26,69,635	4,15,11,896
Deferred tax liabilities		
Timing difference on depreciation and amortisation	1,03,40,837	89,67,642
Total	1,03,40,837	89,67,642
Deferred tax asset, net	2,23,28,798	3,25,44,254

Note: Pursuant to the Scheme (Also, refer note 2), net deferred tax assets of ₹ 37,052,267 of Cades has been incorporated in the year ended 31 March 2014. The effect of the same is included in the prior year deferred tax charge amounting to ₹16,915,085 recognised in the Statement of Profit and Loss.

17 LOANS AND ADVANCES (Unsecured, considered good)

	As at 31 March 2015		As at 31 March 2014	
	Long-term ₹	Short-term ₹	Long-term ₹	Short-term ₹
Security deposit	4,92,61,388	-	4,06,40,353	9,55,069
Loans and advances to related parties				
Expenses incurred on behalf of,				
Subsidiaries	-	70,19,001	-	66,62,754
Fellow subsidiary	-	-	-	9,77,339
	-	70,19,001	-	76,40,093
Other loans and advances				
Advance taxes [net of provision for tax ₹ 114,958,345 (31 March 2014: ₹ 66,270,016)]	5,12,58,546	-	5,66,46,598	-
MAT credit entitlement	1,89,15,392	-	2,73,84,670	-
Duties and taxes recoverable	-	1,37,75,158	4,30,50,195	2,28,77,470
Prepaid expenses	1,15,64,522	1,70,55,470	1,29,05,712	1,58,03,316
Advance to suppliers	-	51,65,704	-	48,80,054
Advance to employees	-	61,44,192	-	44,04,175
	8,17,38,460	4,21,40,524	13,99,87,175	4,79,65,015
Allowances for doubtful service tax cenvat credit	-	(14,48,725)	-	(14,48,725)
	8,17,38,460	4,06,91,799	13,99,87,175	4,65,16,290
	13,09,99,848	4,77,10,800	18,06,27,528	5,51,11,452



Notes to the financial statements for the year ended 31 March 2015 (cont'd)



18 OTHER ASSETS

	As at 31 March 2015		As at 31 March 2014	
	Non-current ₹	Current ₹	Non-current ₹	Current ₹
Unbilled revenue				
Considered good	-	23,95,72,269	-	12,49,69,056
Doubtful	-	1,04,97,386	-	1,04,97,386
	-	25,00,69,655	-	13,54,66,442
Less : Allowances for doubtful unbilled revenue	-	(1,04,97,386)	-	(1,04,97,386)
	-	23,95,72,269	-	12,49,69,056
Bank deposits with maturity of more than 12 months (Also, refer note 19)	50,05,000	-	3,31,075	-
Interest accrued on fixed deposits	-	20,59,674	-	29,28,314
	50,05,000	24,16,31,943	3,31,075	12,78,97,370

19 CASH AND BANK BALANCES

Cash and cash equivalents

Balances with banks in current accounts	-	7,93,94,784	-	2,03,88,858
Cash on hand	-	1,49,038	-	89,918
	-	7,95,43,822	-	2,04,78,776

Other bank balances

Margin money deposits (Also, refer note (a) below)	50,05,000	2,77,50,159	3,31,075	3,87,75,758
Deposits with maturity for more than three months	-	-	-	17,500
	50,05,000	2,77,50,159	3,31,075	3,87,93,258

Less : Amounts disclosed as other non-current assets (Also, refer note 18)

Margin money deposits	(50,05,000)	-	(3,31,075)	-
	-	10,72,93,981	-	5,92,72,034

(a) Fixed deposits given as security:

i. Fixed deposits of a carrying amount ₹ 32,036,959 (31 March 2014: ₹ 38,775,758) have been deposited as margin money at 20% against the packing credit facility loan availed from a bank.

ii. Deposits of a carrying amount ₹ 718,200 (31 March 2014: ₹ 331,075) have been deposited as bank guarantee towards lien on customs department and various customers.



Notes to the financial statements for the year ended 31 March 2015 (cont'd)



	Year ended 31 March 2015 ₹	Year ended 31 March 2014 ₹
20 Revenue from operations		
Engineering design services	1,88,44,75,623	1,81,08,89,333
	<u>1,88,44,75,623</u>	<u>1,81,08,89,333</u>
21 OTHER INCOME		
Interest income		
- from fixed deposits	34,73,594	43,31,460
- lease deposits	29,92,437	47,03,787
- income tax refund	10,86,687	4,38,849
Net gain on foreign currency transaction and translation	-	83,10,522
Provision no longer required, written back	35,22,007	-
Miscellaneous Income	1,61,569	26,42,475
	<u>1,12,36,294</u>	<u>2,04,27,093</u>
22 EMPLOYEE BENEFIT EXPENSES		
Salaries, wages and bonus ¹	92,23,57,429	89,40,32,113
Contribution to provident and other funds	2,43,61,886	2,10,56,761
Contribution to overseas social security	6,55,78,045	6,73,09,109
Provision for gratuity (Also, refer note 8(a))	73,00,021	58,11,130
Provision for compensated absences	41,82,508	23,45,786
Staff welfare expense	2,14,19,688	1,40,10,641
	<u>1,04,51,99,577</u>	<u>1,00,45,65,540</u>

¹ Net of salary costs of ₹ 788,977 (31 March 2014 : ₹ 3,654,188) capitalised towards creation of intangible assets under development.

	Year ended 31 March 2015 ₹	Year ended 31 March 2014 ₹
23 OTHER EXPENSES		
Rent	8,20,72,820	8,67,75,847
Power and fuel	2,07,50,522	1,98,98,989
Travelling and conveyance	14,43,46,281	8,90,78,326
Legal and professional charges	3,14,11,366	2,08,53,173
Repairs and maintenance		
-Building	1,74,22,492	1,59,16,031
-Others	32,12,651	29,77,350
Auditor's remuneration (Also, refer note 33)	25,59,463	25,42,367
Equipment hire charges	2,38,02,365	1,66,08,206
Recruitment and training expenses	1,00,01,097	85,51,182
Advertising expenses	1,33,08,463	56,46,896
Communication expenses ²	2,51,31,739	1,14,99,211
Software subscription charges	6,86,04,610	4,90,62,667
Infrastructure usage charges	1,31,68,361	9,15,84,247
Printing and stationery	22,72,766	23,62,058
Security charges	31,31,051	26,11,570
Rates and taxes	78,10,224	29,35,174
Project consultancy charges ³	4,90,48,973	16,71,82,329
Insurance expenses	6,00,882	1,09,167
Bank Charges	12,46,190	21,92,801
Postage and courier charges	10,88,449	9,14,782
Provision for doubtful debtors	36,77,987	36,19,940
Provision for doubtful unbilled revenue	-	70,28,889
Net loss on foreign currency transaction and translation	1,38,49,819	-
Directors sitting fees	25,30,000	7,80,000
Sales commission and brokerage	13,90,209	33,25,416
Corporate social responsibility expenses (Also, refer note 35)	19,37,000	-
Miscellaneous expenses	8,73,941	10,07,756
	<u>54,52,49,721</u>	<u>61,50,64,374</u>

² Net of internet charges of ₹ 518,041 (31 March 2014 : ₹ 6,164,220) capitalised towards creation of intangible assets under development.

³ Net of professional consultancy fee of ₹ Nil (31 March 2014 : ₹ 7,620,402) capitalised towards creation of intangible assets under development.



Notes to the financial statements for the year ended 31 March 2015 (cont'd)



	Year ended 31 March 2015 ₹	Year ended 31 March 2014 ₹
24 DEPRECIATION AND AMORTISATION EXPENSE		
Depreciation of tangible assets (Also, refer note 11)	1,97,48,176	2,23,37,287
Amortisation of intangible assets (Also, refer note 12)	6,06,87,811	4,80,64,875
	<u>8,04,35,987</u>	<u>7,04,02,162</u>
25 FINANCE COSTS		
Interest on		
- loan from bank	1,47,83,156	2,17,49,043
- Intercompany deposit	18,583	53,77,102
Other borrowing cost (processing fees)	82,27,075	73,14,630
	<u>2,30,28,814</u>	<u>3,44,40,775</u>
26 EXCEPTIONAL ITEMS		
Stamp duty*	2,22,94,578	-
Provision for diminution in the value of long term investments - Axis Cogent Global Limited	74,13,658	35,00,000
	<u>2,97,08,236</u>	<u>35,00,000</u>

* Pursuant to the allotment of equity shares as per the Scheme (Also, refer note 2), the Company has remitted stamp duty expense on the transaction amounting to ₹ 22,294,578 during the year ended 31 March 2015.

	Year ended 31 March 2015 ₹	Year ended 31 March 2014 ₹
27 EARNINGS PER SHARE (EPS)		
a) Profit after tax attributable to equity shares (₹)	11,32,37,346	8,20,33,900
b) Weighted average number of shares outstanding	2,52,28,820	1,99,60,481
c) Nominal value of shares (₹)	5.00	5.00
d) Basic earnings per share (₹)	4.49	4.11
e) Number of shares to be issued pursuant to the Scheme (Also, refer note 2)	-	72,29,112
f) Number of equity shares used to compute diluted earnings per share	2,52,28,820	2,71,89,593
g) Diluted earnings per share (₹)	4.49	3.02

28 SEGMENT REPORTING

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

29 INFORMATION PURSUANT TO CLAUSE 32 OF THE LISTING AGREEMENT

i) Amount of Investment in subsidiaries as at 31 March 2015

Subsidiary company	Amount outstanding as at 31 March 2015	Maximum amount outstanding during the year
Axis Inc.	14,89,06,359	14,89,06,359
Cades Studec Technologies (India) Private Limited	7,19,66,083	7,19,66,083
Axis Mechanical Engineering Design (Wuxi) Co., Ltd.,	42,68,488	42,68,488
Cades Technology Canada Inc.	4,596	4,596

ii) Amount of loans and advances (expenses recoverable) in the nature of loans outstanding from subsidiaries as at 31 March 2015

Subsidiary company	Amount	Maximum amount outstanding
Axis Inc.	-	13,17,711
Axis EU Europe Limited (formerly know an as Axis EU Limited)	3,45,214	5,21,813
Cades Technology Canada Inc.	66,73,787	66,76,512



Notes to the financial statements for the year ended 31 March 2015 (cont'd)



30 RELATED PARTY DISCLOSURES

i. Parties where control exists :

Nature of relationship

Holding Company

Name of party

Jupiter Capital Private Limited ('JCPL').

Tayana Digital Private Limited (TDPL) ceased to be the intermediate holding company w.e.f. 09 July 2014 and in turn AXISCADES Aerospace & Technologies Private Limited, (ACAT, formerly known as Axis Aerospace & Technologies Limited) also ceased to be the intermediate holding company. ACAT is a subsidiary of JCPL.

Subsidiary Companies

Axis Inc.

Axis EU Europe Limited (formerly known as Axis EU Limited, a step down subsidiary)

Cades Studec Technologies (India) Private Limited

Cades Technology Canada Inc.

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

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

Fellow subsidiary

AXISCADES Aerospace & Technologies Private Limited

Fellow subsidiary

Enertec Controls Limited

iii. Key management personnel :

CEO and Chairman

Mr. S. Ravinarayanan (resigned as CEO w.e.f. 24 February 2014)

CEO and Director

Mr. Valmeekanathan S. (appointed w.e.f. 25 February 2014)

CFO and Director

Mr. Kaushik Sarkar (appointed w.e.f. 12 September 2014)

Company Secretary

Ms. Shweta Agrawal (w.e.f. 1 April 2014)

iv. Transactions with related parties:

(Amount in ₹)

Nature of transaction	Relationship	Year ended	
		31 March 2015	31 March 2014
Revenue from operations			
Axis Inc.	Subsidiary	15,05,05,483	17,54,69,943
Axis EU Europe Limited	Subsidiary	2,16,18,358	2,69,14,020
Cades Technology Canada Inc.	Subsidiary	14,20,31,594	5,28,14,917
AXISCADES Aerospace & Technologies Private Limited	Fellow subsidiary (intermediate Holding Company until 09 July 2014)	4,50,00,000	3,00,00,000
Investment made			
Axis Mechanical Engineering Design (Wuxi) Co., Ltd.,	Subsidiary	-	22,00,450
Cades Studec Technologies (India) Private Limited	Subsidiary	-	7,19,66,083
Intercorporate deposits availed			
AXISCADES Aerospace & Technologies Private Limited	Fellow subsidiary (intermediate Holding Company until 09 July 2014)	-	18,90,00,000
Intercorporate deposits repaid			
AXISCADES Aerospace & Technologies Private Limited	Fellow subsidiary (intermediate Holding Company until 09 July 2014)	77,07,895	18,52,92,105
Jupiter Capital Private Limited	Holding Company	-	4,25,00,000
Interest expense on Intercorporate deposit			
AXISCADES Aerospace & Technologies Private Limited	Fellow subsidiary (intermediate Holding Company until 09 July 2014)	18,583	40,58,671
Jupiter Capital Private Limited	Holding Company	-	13,17,740
Corporate guarantee fee income			
AXISCADES Aerospace & Technologies Private Limited	Fellow subsidiary (intermediate Holding Company until 09 July 2014)	-	25,78,125
Remuneration			
Mr. S. Ravinarayanan	CEO and Chairman	-	16,28,565
Mr. Valmeekanathan S.	CEO and Director	1,15,80,000	8,57,143
Mr. Kaushik Sarkar	CFO and Director	39,57,244	-
Ms. Shweta Agrawal	Company Secretary	14,11,694	-

**Notes to the financial statements for the year ended
31 March 2015 (cont'd)****30 RELATED PARTY DISCLOSURES (Cont'd)***iv. Transactions with related parties (Cont'd):*

(Amount in ₹)

Nature of transaction	Relationship	Year ended	
		31 March 2015	31 March 2014
Expenses incurred on behalf of			
Axis Inc.	Subsidiary	13,17,711	10,16,130
Axis EU Europe Limited	Subsidiary	3,46,976	23,32,533
Cades Technology Canada Inc.	Subsidiary	1,02,27,899	1,36,29,690
AXISCADES Aerospace & Technologies Private Limited	Fellow subsidiary (intermediate Holding Company until 09 July 2014)	1,30,25,683	1,36,01,571
Expenses recovered			
Axis Inc.	Subsidiary	23,33,841	18,58,646
Axis EU Europe Limited	Subsidiary	5,21,813	25,50,235
Cades Technology Canada Inc.	Subsidiary	1,34,15,549	1,13,71,254
AXISCADES Aerospace & Technologies Private Limited	Fellow subsidiary (intermediate Holding Company until 09 July 2014)	1,40,03,022	1,26,24,233
Corporate guarantee extinguished			
AXISCADES Aerospace & Technologies Private Limited	Fellow subsidiary (intermediate Holding Company until 09 July 2014)	-	82,50,00,000
Software subscription charges			
Axis Inc.	Subsidiary	1,41,06,977	1,54,71,840
Salaries, wages and bonus recovered			
Cades Technology Canada Inc.	Subsidiary	47,30,497	44,16,554
Project consultancy charges			
Axis Inc.	Subsidiary	16,99,214	19,92,901
Staff welfare expense			
Axis Inc.	Subsidiary	8,08,523	5,39,529
Corporate guarantee received			
Enertec Controls Limited	Fellow subsidiary	-	15,00,00,000
Corporate guarantee extinguished			
Enertec Controls Limited	Fellow subsidiary	15,00,00,000	-



Notes to the financial statements for the year ended 31 March 2015 (cont'd)



30 RELATED PARTY DISCLOSURES (Cont'd)

v. Balances as at the year end:

(Amount in ₹)

Nature of transaction	Relationship	As at	
		31 March 2015	31 March 2014
Trade receivables			
Axis Inc.	Subsidiary	1,46,04,687	4,20,94,200
Axis EU Europe Limited	Subsidiary	42,44,982	1,16,75,592
Cades Technology Canada Inc.	Subsidiary	1,45,41,846	2,11,07,870
AXISCADES Aerospace & Technologies Private Limited	Fellow subsidiary (intermediate Holding Company until 09 July 2014)	5,05,62,000	-
Investments			
Axis Inc.	Subsidiary	14,89,06,359	14,89,06,359
Cades Studec Technologies (India) Private Limited	Subsidiary	7,19,66,083	7,19,66,083
Axis Mechanical Engineering Design (Wuxi) Co., Ltd.,	Subsidiary	42,68,485	42,68,485
Cades Technology Canada Inc.	Subsidiary	4,596	4,596
Intercorporate deposit outstanding			
AXISCADES Aerospace & Technologies Private Limited	Fellow subsidiary (intermediate Holding Company until 09 July 2014)	-	77,07,895
Loans and advances			
<i>Expenses recoverable</i>			
Axis Inc.	Subsidiary	-	10,16,130
Axis EU Europe Limited	Subsidiary	3,45,214	5,21,815
Cades Technology Canada Inc.	Subsidiary	66,73,787	51,13,522
AXISCADES Aerospace & Technologies Private Limited	Fellow subsidiary (intermediate Holding Company until 09 July 2014)	-	9,77,339
Trade payables			
Axis Inc.	Subsidiary	-	24,65,760
Remuneration payable			
Mr. S Valmeekanathan	CEO and Director	15,00,000	4,89,029
Mr. Kaushik Sarkar	CFO and Director	4,11,885	-
Ms. Shweta Agrawal	Company Secretary	49,931	-
Unbilled revenue			
Cades Technology Canada Inc.	Subsidiary	1,65,38,852	47,07,923
Axis Inc.	Subsidiary	1,20,39,868	-
Corporate guarantee outstanding			
Enertec Controls Limited	Fellow subsidiary	-	15,00,00,000
AXISCADES Aerospace & Technologies Private Limited	Fellow subsidiary (intermediate holding company until 09 July 2014)	35,50,00,000	35,50,00,000

**Notes to the financial statements for the year ended 31 March 2015 (cont'd)****31 DISCLOSURES IN RESPECT OF NON-CANCELLABLE OPERATING LEASES**

The lease expenses for cancellable and non-cancellable operating leases during the year ended 31 March 2015 was ₹ 82,072,820 (31 March 2014 : ₹ 86,775,847)

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

Payments falling due:	As at 31 March 2015 ₹	As at 31 March 2014 ₹
Not later than one year	2,25,20,407	3,40,64,522
Later than one year but not later than 5 years	1,34,03,634	93,72,297
Later than 5 years	-	-
	3,59,24,041	4,34,36,819

The Company's significant leasing arrangements in respect of operating leases for office premises, which includes both cancellable and non cancellable leases and range between 11 months and 9 years generally and are usually renewable by mutual consent on mutually agreeable terms. The aggregate lease rentals payable are charged as rent under Note 23 to the financial statements.

32 PARTICULARS RELATING TO FOREIGN EXCHANGE

	Year ended 31 March 2015 ₹	Year ended 31 March 2014 ₹
Earnings in foreign exchange		
Revenue from engineering design services	1,43,06,80,301	1,40,13,97,700
Expenditure in foreign currency		
Bank charges and PCFC interest	62,38,677	65,29,961
Software subscription charges	1,96,53,552	1,54,71,840
Project consultancy charges	2,10,00,899	14,67,13,893
Commission and brokerage	13,90,209	33,25,416
Employee benefits expense	45,79,79,577	50,09,50,039
Travelling and conveyance	8,89,23,226	6,25,66,594
Internet charges	1,32,77,383	-
Rent	55,05,643	1,00,50,192
	61,39,69,166	74,56,07,935
Value of Imports on CIF Basis		
Capital goods	16,63,703	28,10,944
Consultancy fees for intangibles under development	-	76,20,402
Internet charges for intangibles under development	5,18,041	61,64,220
	21,81,744	1,65,95,566

33 AUDITOR'S REMUNERATION *

Statutory audit fees	21,65,000	21,65,000
Tax audit fees	2,25,000	2,25,000
Other fees	1,10,000	92,000
Out of pocket expenses	59,463	60,367
	25,59,463	25,42,367

* Excluding Service tax

34 Commitments

Acquisition of computer software	90,68,315	-
Internet charges	11,60,000	-
Recruitment expenses	5,50,000	-
	1,07,78,315	-

35 Corporate social responsibility

Pursuant to the provisions of Section 135 of the Act and the Rules made thereunder, the gross amount required to be spent by the Company during the year ended 31 March 2015 amounts to ₹1,937,000. The Company has paid ₹1,937,000 to two non-government organizations engaged in the field of development of skills of under-privileged children, enabling them to overcome adversity and flourish in a fast changing world.

Notes to the financial statements for the year ended 31 March 2015 (cont'd)



36 DERIVATIVE INSTRUMENTS AND UNHEDGED FOREIGN CURRENCY EXPOSURE

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

Category	Currency	Buy / Sell	31 March 2015	31 March 2014
Forward contracts for hedging	USD	Sell	65,85,000	17,50,000

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

Particulars	Included in	Currency	31 March 2015		31 March 2014		
			Coverision rate	Amount in foreign currency	Amount in ₹	Coverision rate	Amount in foreign currency
Trade receivables	USD	62.5908	-	-	60.0998	38,37,578	23,06,37,663
	GBP	92.4591	49,646	45,90,196	99.8498	1,16,932	1,16,75,592
	EURO	67.5104	7,39,418	4,99,18,420	82.5765	3,46,134	2,85,82,523
Trade payables	USD	62.5908	3,24,772	2,03,27,722	60.0998	9,78,706	5,88,20,028
	EURO	67.5104	81,327	54,90,415	82.5765	2,67,099	2,20,56,136
	JPY	0.5211	3,00,000	1,56,330	0.5883	3,00,000	1,76,490
Salary payable	USD	62.5908	48,895	30,60,408	60.0998	18,028	10,83,498
	EURO	67.5104	85,546	57,75,211	82.5765	94,528	78,05,769
Advance to subsidiaries	USD	62.5908	-	-	60.0998	16,907	10,16,130
	GBP	92.4591	3,734	3,45,205	99.8498	5,226	5,21,815
	CAD	53.3665	1,25,107	66,76,512	54.0151	94,668	51,13,522
PCFC loans	USD	62.5908	31,65,445	19,81,27,735	60.0998	27,29,895	16,40,66,118

37 Appointment of Chief Financial Officer

After the Balance sheet date, the Company's application seeking approval from the Central Government for the remuneration to the Executive Director and Chief Financial Officer (CFO) of the Company has been viewed negatively in light of the provisions of Section 203 of the Act.

The Management has been advised by an expert opinion that appointment of the CFO is compliant with Section 203 and they have supported their view with prevailing corporate practice as well. Further, the Management has also been advised to resubmit the application to the Policy Wing of the Ministry of Corporate Affairs for re-examination and if found in order, to view the application positively.

Based on the expert's opinion, Management is of the view that aforesaid denial of the permission does not have any financial implications and accordingly the Management has taken requisite steps as advised. Meanwhile, the Company shall maintain status quo till final disposal of the aforesaid application.

38 Transfer pricing

The Company is required to use certain specified methods in computing arm's length price of international transactions between the associated enterprises and maintain prescribed information and documents relating to such transactions. The appropriate method to be adopted will depend on the nature of transactions / class of transactions, class of associated persons, functions performed and other factors, which have been prescribed. The Company is in the process of updating the Transfer Pricing documentation for the financial year ending 31 March 2015 following a detailed transfer pricing study conducted for the financial year ended 31 March 2014. In the opinion of the management, the same would not have an impact on these financial statements. Accordingly, these financial statements do not include the effect of the transfer pricing implications, if any.

39 PREVIOUS YEAR FIGURES

Previous year's figures have been regrouped / reclassified wherever necessary, to conform to current year's classification.

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

New Delhi
18 May 2015

CONSOLIDATED FINANCIAL STATEMENTS





Independent Auditors' Report



To the Members of AXISCADES Engineering Technologies Limited

Report on the Consolidated Financial Statements

1. We have audited the accompanying consolidated financial statements of AXISCADES Engineering Technologies Limited, ("the Holding Company") and its subsidiaries (the Holding Company and its subsidiaries, together referred to as "the Group"), which comprise the Consolidated Balance Sheet as at 31 March 2015, the Consolidated Statement of Profit and Loss and the Consolidated Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

2. The Holding Company's Board of Directors is responsible for the preparation of these consolidated financial statements in terms of the requirements of the Companies Act, 2013 ("the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group, in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 (as amended). The Holding Company's Board of Directors, and the respective Board of Directors/management of the subsidiaries included in the Group are responsible for the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error. Further, in terms with the provisions of the Act, the respective Board of Directors of the Holding Company and its subsidiary which is incorporated in India, are responsible for maintenance of adequate accounting records; safeguarding the assets; preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design,

implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements, which have been used for the purpose of preparation of the consolidated financial statements by the directors of the Holding Company, as aforesaid.

Auditors' Responsibility

3. Our responsibility is to express an opinion on these consolidated financial statements based on our audit.

4. While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the auditor's report under the provisions of the Act and the Rules made thereunder.

5. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

6. An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial controls relevant to the Holding Company's preparation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Holding Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls.



Independent Auditors' report to the Board of Directors of AXISCADES Engineering Technologies Limited on the consolidated financial statements for the year ended 31 March 2015 (Cont'd)

An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements.

7. We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in paragraph 9 of the Other Matter paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

Opinion

8. In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the reports of the other auditors on the financial statements of the subsidiaries as noted below, the aforesaid consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at 31 March 2015, their consolidated profit and their consolidated cash flows for the year ended on that date.

Other Matter

9. We did not audit the financial statements of three subsidiaries, included in the consolidated financial statements, whose financial statements reflect total assets (after eliminating intra-group transactions) of ₹ 265,731,647 as at 31 March 2015, total revenues (after eliminating intra-group transactions) of ₹ 616,574,666 and net cash flows amounting to ₹ 118,511,654 for the year ended on that date. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the

consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, and our report in terms of sub-sections (3) and (11) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries is based solely on the reports of the other auditors.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements certified by the Management.

Report on Other Legal and Regulatory Requirements

10. As required by the Companies (Auditor's Report) Order, 2015 ("the Order"), issued by the Central Government of India in terms of Section 143(11) of the Act, and based on the comments in the auditor's reports of a subsidiary company incorporated in India, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order, as applicable to such companies.

11. As required by Section 143(3) of the Act, and based on the auditor's reports of the subsidiary companies, we report, to the extent applicable, that:

a. we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit of the aforesaid consolidated financial statements;

b. in our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors;



Independent Auditors' report to the Board of Directors of AXISCADES Engineering Technologies Limited on the consolidated financial statements for the year ended 31 March 2015 (Cont'd)

c. the consolidated financial statements dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements;

d. in our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014(as amended);

e. On the basis of the written representations received from the directors of the Holding Company as on 31 March 2015 taken on record by the Board of Directors of the Holding Company and the reports of the other statutory auditors of its subsidiary company incorporated in India, none of the directors of the Group, incorporated in India is disqualified as on 31 March 2015 from being appointed as a director in terms of Section 164 (2) of the Act.

f. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

- i. there were no pending litigations which would impact the consolidated financial position of the Group.
- ii. the Group did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses; and
- iii. there were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company, and its subsidiary company incorporated in India.

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

-sd-

per Aasheesh Arjun Singh
Partner
Membership No.: 210122

New Delhi
18 May 2015



Annexure to the independent auditors report of even date to the members of AXISCADES Engineering Technologies Limited, on the consolidated financial statements for the year ended 31 March 2015

Based on the audit procedures performed for the purpose of reporting a true and fair view on the consolidated financial statements of the Holding Company and taking into consideration the information and explanations given to us and the books of account and other records examined by us in the normal course of audit and based on the comments in the auditor's report of the subsidiary company incorporated in India, we report that:

- (i) (a) The Holding Company and its subsidiary company incorporated in India have maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) The Holding Company has a regular program of physical verification of its fixed assets under which fixed assets are verified in a phased manner over a period of three years. The fixed assets of the subsidiary incorporated in India have been physically verified by the management during the year. In our opinion, the frequency of verification of the fixed assets is reasonable having regard to their size and the nature of their assets. No material discrepancies were noticed on such verification.
- (ii) The Holding Company and its subsidiary company incorporated in India do not have any tangible inventory. Accordingly, the provisions of clause 3(ii) of the Order are not applicable
- (iii) The Holding Company and its subsidiary company incorporated in India have not granted any loan, secured or unsecured to companies, firms or other parties covered in the register maintained under Section 189 of the Act. Accordingly, the provisions of clauses 3(iii)(a) and 3(iii)(b) of the Order are not applicable.
- (iv) Owing to the nature of their business, the Holding Company and its subsidiary company incorporated in India, do not maintain any physical inventories or sell any goods. Accordingly, clause 3(iv) of the Order with respect to purchase of inventories and sale of goods is not applicable. In our opinion, there is an adequate internal control system commensurate with their size and the nature of their business for the purchase of fixed assets and for the sale of services. During the course of our audit, no major weakness has been noticed in the internal control system in respect of these areas.
- (v) The Holding Company and its subsidiary company incorporated in India have not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable.
- (vi) To the best of our knowledge and belief, the Central Government has not specified maintenance of cost records under sub-section (1) of Section 148 of the Act, in respect of the services of the Holding Company and its subsidiary incorporated in India. Accordingly, the provisions of clause 3(vi) of the Order are not applicable.
- (vii) (a) Undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, wealth tax, service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues, as applicable, have generally been regularly deposited with the appropriate authorities, though there has been a slight delay in a few cases. Further, no undisputed amounts payable in respect thereof were outstanding at the year-end for a period of more than six months from the date they became payable.



Annexure to the independent auditors report of even date to the members of AXISCADES Engineering Technologies Limited, on the consolidated financial statements for the year ended 31 March 2015

(b) The dues outstanding in respect of service tax on account of any dispute, are as follows:

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

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

(c) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company and its subsidiary company incorporated in India in accordance with the relevant provisions of the Companies Act, 1956 (1 of 1956) and rules made thereunder. Accordingly, the provisions of clause 3(vii)(c) of the Order are not applicable.

(viii) In our opinion, the Holding Company and its subsidiary company incorporated in India have no accumulated losses at the end of the financial year and they have not incurred cash losses in the current and the immediately preceding financial year.

(ix) The Holding Company and its subsidiary company incorporated in India have not defaulted in repayment of dues to any bank during the year. The Holding Company and its subsidiary company incorporated in India did not have any dues payable to a financial institution and did not have any outstanding debentures during the year.

(x) The Holding Company and its subsidiary company incorporated in India have not given any guarantees for loans taken by others from banks or financial institutions. Accordingly, the provisions of clause 3(x) of the Order are not applicable.

(xi) In our opinion, the Holding Company has applied the term loans for the purpose for which these loans were obtained. The subsidiary company incorporated in India did not have any term loans outstanding during the year.

(xii) No fraud on or by the Holding Company and its subsidiary company incorporated in India have been noticed or reported during the period covered by our audit.

For Walker Chandiook & Co LLP
(formerly Walker Chandiook & Co)
Chartered Accountants
Firm Registration No.: 001076N/N500013

-sd-
per Aasheesh Arjun Singh
Partner
Membership No.: 210122

New Delhi
18 May 2015



Consolidated Balance Sheet



	NOTE	As at 31 March 2015 ₹	As at 31 March 2014 ₹
EQUITY AND LIABILITIES			
SHAREHOLDERS' FUNDS			
Share capital	4	13,61,01,265	9,99,55,705
Reserves and surplus	5	1,11,65,59,258	87,69,05,064
		1,25,26,60,523	97,68,60,769
SHARES PENDING ALLOTMENT			
	2	-	3,61,45,560
MINORITY INTEREST			
	6	2,16,62,253	1,77,04,733
NON-CURRENT LIABILITIES			
Long-term borrowings	7	95,00,000	8,27,07,895
Long-term provisions	8	4,06,57,436	3,16,99,531
		5,01,57,436	11,44,07,426
CURRENT LIABILITIES			
Short-term borrowings	7	25,23,24,838	18,76,73,966
Trade payables	10	12,37,83,813	19,09,84,444
Other current liabilities	11	18,63,04,964	22,28,18,775
Short-term provisions	8	31,46,730	33,05,353
		56,55,60,345	60,47,82,538
TOTAL		1,89,00,40,557	1,74,99,01,026
ASSETS			
NON-CURRENT ASSETS			
Fixed assets			
Tangible assets	12	6,30,98,964	7,16,57,392
Intangible assets	13	18,48,67,339	8,19,03,514
Intangible assets under development	14	-	14,13,49,987
Capital work in progress		-	10,16,901
Goodwill on consolidation		23,99,54,853	18,20,26,177
Non-current investments	15	5,000	74,18,660
Deferred tax assets, net	17	2,63,83,080	3,70,57,753
Long-term loans and advances	18	15,63,09,245	19,45,33,235
Other non-current assets	19	50,17,500	3,31,075
		67,56,35,981	71,72,94,694
CURRENT ASSETS			
Current investments	15	35,67,102	-
Trade receivables	16	60,74,11,634	71,98,07,135
Cash and bank balances	20	26,61,50,873	9,83,35,327
Short-term loans and advances	18	5,61,84,292	6,06,59,927
Other current assets	19	28,10,90,675	15,38,03,943
		1,21,44,04,576	1,03,26,06,332
TOTAL		1,89,00,40,557	1,74,99,01,026

Summary of significant accounting policies and other explanatory information
Notes form an integral part of these consolidated financial statements.

1 - 38

This is the Consolidated Balance Sheet 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-
per **Aasheesh Arjun Singh**
Partner

New Delhi
18 May 2015

-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

New Delhi
18 May 2015

Consolidated Profit & Loss



	NOTE	Year ended 31 March 2015 ₹	Year ended 31 March 2014 ₹
INCOME			
Revenue from operations	21	3,17,58,92,736	3,06,81,04,345
Other income	22	1,65,38,007	3,07,88,202
TOTAL		3,19,24,30,743	3,09,88,92,547
EXPENSES			
Employee benefits expense	23	2,01,16,10,974	1,95,03,51,390
Other expenses	24	74,60,90,291	83,17,84,429
TOTAL		2,75,77,01,265	2,78,21,35,819
EARNINGS BEFORE INTEREST, TAX, DEPRECIATION AND AMORTISATION (EBITDA)		43,47,29,478	31,67,56,728
Depreciation and amortisation expense	26	9,33,53,399	8,16,32,784
Finance costs	25	2,35,32,281	3,60,77,093
PROFIT BEFORE EXCEPTIONAL ITEMS AND TAX		31,78,43,798	19,90,46,851
Exceptional Items	27	2,97,08,236	35,00,000
PROFIT BEFORE TAX		28,81,35,562	19,55,46,851
Tax expense:			
- Current tax			
Domestic		5,79,63,965	4,67,79,840
Reversal of excess tax provision of prior year		-	(2,04,56,230)
Foreign taxes		2,25,97,522	1,19,44,090
- Minimum alternate tax credit of prior year		-	(1,15,08,959)
- Deferred tax expense		95,00,945	90,03,664
NET PROFIT FOR THE YEAR		19,80,73,130	15,97,84,446
Earnings per equity share:	28		
-Basic		7.69	7.55
-Diluted		7.69	5.54
Nominal value per share		5.00	5.00

Summary of significant accounting policies and other explanatory information
Notes form an integral part of these consolidated financial statements.

1 - 38

This is the Consolidated Statement of Profit and Loss 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

-sd-

per Aasheesh Arjun Singh
Partner

-sd-

Kaushik Sarkar
CFO and Director

-sd-

Shweta Agrawal
Company Secretary

New Delhi
18 May 2015

New Delhi
18 May 2015

New Delhi
18 May 2015



Consolidated Cash Flow Statement



	Year ended 31 March 2015 ₹	Year ended 31 March 2014 ₹
A Cash flow from operating activities		
Profit before tax	28,81,35,562	19,55,46,851
Adjustment for:		
Depreciation and amortisation expense	9,33,53,399	8,16,32,784
Dividend income from mutual funds	(3,17,102)	-
Unrealised foreign exchange (gain) / loss	22,75,804	(78,01,134)
Liability no longer required, written back	(42,38,988)	(5,62,917)
Diminution in the value of non-current investment	74,13,660	35,00,000
Finance costs	2,35,32,281	3,60,77,093
Miscellaneous expenditure written off	-	5,19,000
Provision for doubtful debts and unbilled revenue	42,12,288	1,06,48,829
Provision for gratuity and compensated absences	1,42,74,478	-
Interest income	(68,37,267)	(66,38,578)
Interest on Income Tax refund	(10,86,687)	(4,38,849)
Operating profit before working capital changes	42,07,17,428	31,24,83,078
Movements in working capital		
Decrease / (increase) in trade receivables	10,45,89,161	(4,38,04,588)
Decrease / (increase) in loans and advances	3,33,80,435	(5,56,17,026)
Increase in other current assets	(13,07,96,126)	(55,34,240)
Increase / (decrease) in provisions	48,89,976	(66,01,006)
Decrease in trade payables	(6,82,55,269)	(3,33,99,535)
Cash from operating activities	36,45,25,605	16,75,26,683
Direct taxes paid (Net of refunds)	(5,51,29,362)	(39,13,666)
Net cash from operating activities (A)	30,93,96,243	16,36,13,017
B Cash flow from investing activities		
Purchase of fixed assets	(4,50,60,643)	(1,90,39,559)
Development of intangible assets	-	(1,74,38,811)
Interest received	57,85,093	76,52,517
Investments in fixed deposits (net of realisation)	(3,39,90,908)	(3,44,29,519)
Investment in mutual funds	(32,50,000)	-
Net cash used in investment activities (B)	(7,65,16,458)	(6,32,55,372)
C Cash flow from financing activities		
Repayments of intercorporate deposits	(77,07,895)	(22,77,92,105)
Proceeds from intercorporate deposits	-	18,90,00,000
(Repayments of) / proceeds from working capital loan, net	5,95,02,408	(21,45,38,176)
Proceeds from term loan from bank	1,50,00,000	15,00,00,000
Repayments of term loan from bank	(13,50,00,000)	(2,07,00,000)
Finance costs	(2,35,32,281)	(3,60,77,093)
Net cash used in financing activities (C)	(9,17,37,768)	(16,01,07,374)
Net increase / (decrease) in cash and cash equivalents (A+B+C)	14,11,42,017	(5,97,49,729)
Effect of exchange rate changes, net	(94,78,773)	1,94,29,307
Cash and cash equivalents as at beginning of the year	3,34,67,069	7,31,66,034
Cash acquired on acquisition of a subsidiary (Also, refer note 1(a))	-	6,21,457
Cash and cash equivalents as at end of the year	16,51,30,313	3,34,67,069

This is the Consolidated Cash Flow Statement 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-
Kedarnath Choudhury
Director

-sd-
Kaushik Sarkar
CFO and Director

-sd-
Shweta Agrawal
Company Secretary

New Delhi
18 May 2015

New Delhi
18 May 2015

Notes to the consolidated financial statements for the year ended 31 March 2015

**1 BACKGROUND**

- (a) AXISCADES Engineering Technologies Limited ('the Company/AXISCADES'), a public limited company, operates in the business of Engineering Design Services. The Company's shares are listed for trading on the National Stock Exchange of India Limited and BSE Limited in India. On 01 August 2014, the Company received the approval from the Registrar of Companies, New Delhi to change its name to the present. Subsequent to the approval, the Company is now known as AXISCADES Engineering Technologies Limited.

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

Name of the subsidiaries	Country of incorporation	Ownership interest (%)	
		31 March 2015	31 March 2014
Axis Inc.	USA	100.00%	100.00%
Axis EU Europe Limited ('Axis EU', formerly Axis EU Limited) (Subsidiary of Axis Inc.)	UK	100.00%	100.00%
Cades Digitech Private Limited ('Cades', refer note 2 below)	India	N.A.	N.A.
Cades Studec Technologies (India) Private Limited ¹ ('Studec')	India	76.00%	76.00%
Cades Technology Canada Inc. ('Cades Canada') ²	Canada	100.00%	100.00%
Axis Mechanical Engineering Design (Wuxi) Co., Ltd. ('Axis China')	China	100.00%	100.00%

¹ Acquired with effect from 11 July 2013

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

2 SCHEME OF ARRANGEMENT (SCHEME)

- (a) The Board of Directors of the Company, at the meeting held on 23 January 2013 had approved the Scheme of Arrangement ('the Scheme') whereby Cades Digitech Private Limited ('subsidiary/Cades') was proposed to be merged with the Company, the transferee company.

Subsequent to the various statutory approvals, the Scheme was approved by the Honourable High Courts of Karnataka and Delhi vide orders dated 17 December 2013 and 10 March 2014 respectively, a copy of which was filed with the Office of Registrar of Companies, New Delhi on 24 March 2014 (the "Effective Date") with the Appointed Date being 1 April 2012. The Scheme was presented under Sections 391 to 394 read with Sections 78, 100 to 103 of the Companies Act, 1956 ('the Act').

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

(Amount in ₹)
Cades Digitech Private Limited
As at 01 April 2012

Net value of assets transferred pursuant to Scheme of Arrangement	A	17,74,19,350
Investment in Cades (9,067,000 equity shares of ₹10 each, fully paid up)	B	10,58,47,435
Equity shares to be issued, held in shares pending allotment account (7,229,112 equity shares of ₹5 each, fully paid up)	C	3,61,45,560
Surplus credited to Capital Reserves	D	3,54,26,355

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

Capital reserve	3,54,26,355
Securities premium	51,62,21,117
Total	<u>55,16,47,472</u>

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

- (d) The net profit of Cades for the year ended 31 March 2013 amounting to ₹42,658,228 had been added to the accumulated surplus under the Statement of Profit and Loss of the Company and the results of operations of Cades had been included with that of the Company for the year ended 31 March 2014.
- (e) Included in the reversal of excess tax provision for the year ended 31 March 2014 is ₹ 8,554,748 representing the provision for tax no longer required consequent to the revised return of income tax to be filed for the Assessment Year 2013-14 pursuant to the merger of Cades with the Company. Additionally, during the year ended 31 March 2014, the Company has also recognised a MAT credit of ₹ 11,508,959 representing the credit available to the Company for the assessment year 2013-14, consequent to the merger of Cades pursuant to the Scheme.
- (f) Pursuant to the Scheme, the shareholders of Cades were eligible to receive 10 equity shares of Axis of par value of ₹ 5 each fully paid up for 12 equity shares held in Cades of par value of ₹ 10 each fully paid up ('Swap ratio'), with record date being 11 April 2014 as fixed by the Board of Directors of the Company. Pending the allotment of said equity shares, the amount of ₹ 36,145,560 (7,229,112 equity shares of par value of ₹ 5 each) had been included under the Shares pending allotment account as at 31 March 2014. The said equity shares have been allotted on 9 July 2014.

Notes to the consolidated financial statements for the year ended 31 March 2015 (cont'd)



3 SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of consolidation

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

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

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

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

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

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

(b) Basis of preparation of financial statements

The financial statements of the Company have been prepared under historical cost convention in accordance with the generally accepted accounting principles in India (Indian GAAP). The Company has prepared these financial statements to comply in all material respects with the accounting standards notified under Section 133 of the Companies Act 2013 ('the Act'), read together with paragraph 7 of the Companies (Accounts) Rules 2014. The accounting policies applied by the Company are consistent with those used in the prior period, unless otherwise stated.

(c) Use of estimates

The preparation of financial statements in conformity with the principles generally accepted in India requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and the disclosure of contingent liabilities on the date of financial statements and the reported amounts of revenues and expenses during the reporting period. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from those estimates. Examples of such estimates include percentage-of-completion which requires the Group to estimate the efforts expended to date as a proportion of total efforts to be expended, provisions for doubtful debts, future obligations under employee retirement benefit plans, useful lives of fixed assets and intangibles and carrying values of goodwill and other long lived assets. Any revision to accounting estimates is recognised prospectively in the current and future periods.

(d) Revenue recognition

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

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

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

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

Interest

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

Dividends

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

(e) Fixed assets and depreciation/amortisation

Tangible

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

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

Intangible

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

Notes to the consolidated financial statements for the year ended 31 March 2015 (cont'd)



3 SIGNIFICANT ACCOUNTING POLICIES

(e) Fixed assets and depreciation/amortisation (Cont'd)

Intangibles under development

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

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

Depreciation and amortisation

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

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

Asset category	Useful lives (In years)
Computers *	3
Furniture and fixtures *	7
Office equipment *	7
Electrical installations	7
Office buildings	61
Vehicles *	5
Computer software	3

* Pursuant to useful lives for fixed assets prescribed under Part C of Schedule II of the Act, based on internal assessment by the respective managements of the Company and Studec, the useful lives as given above best represents the period over which management expects to use these assets. Hence, the useful lives for these assets is different from the useful lives prescribed under Part C of Schedule II of the Act.

Depreciation/amortisation is charged on a proportionate basis for all the assets purchased and sold during the year. Fixed assets individually costing less than ₹ 5,000 are fully depreciated in the year of purchase. Non-complete fee is amortised over the period of expected benefit. Goodwill on amalgamation is being amortised over the period of 5 years. Process manuals are amortised over the period of 7 years (project term) or the useful life of the process manual, whichever is shorter. Leasehold improvements have been depreciated over lease period including renewable period or useful economic life, whichever is shorter.

Assets under capital lease are amortised over their estimated useful life or the lease term whichever is lower.

(f) Impairment of assets

The Company assesses at each Balance Sheet date whether there is any indication that a cash-generating unit may be impaired. Goodwill is allocated to each of the Group's cash-generating units that are expected to benefit from the synergies of the combination. If any such indication exists, the Company estimates the recoverable amount of the asset. If such recoverable amount of the asset or the recoverable amount of the cash generating unit to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is charged to the Statement of Profit and Loss. If at the Balance Sheet date there is an indication that if a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount subject to a maximum of depreciated historical cost.

(g) Investments

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

(h) Foreign currency transactions

Initial recognition

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

Conversion

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

Exchange differences

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

Notes to the consolidated financial statements for the year ended 31 March 2015 (cont'd)



3 SIGNIFICANT ACCOUNTING POLICIES

(h) Foreign currency transactions (Cont'd)

Translation of integral and non-integral foreign operations

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

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

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

(i) Derivative instruments and hedge accounting

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

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

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

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

(j) Employee benefits

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

Provident fund

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

Gratuity

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

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

Compensated absences

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

Overseas social security

The Group contributes to social security charges of countries to which the Group deutes its employees on employment. The plans are defined contribution plan and contributions paid or payable is recognised as an expense in these periods in which the employee renders services in those respective countries.

Other short-term benefits

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

(k) Borrowing costs

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



Notes to the consolidated financial statements for the year ended 31 March 2015 (cont'd)



3 SIGNIFICANT ACCOUNTING POLICIES

(l) Leases

Finance leases

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

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

Operating leases

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

(m) Provisions and contingent liabilities

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

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

(n) Earnings / (Loss) per share

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

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

(o) Income taxes

Current tax

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

Deferred tax

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

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

(p) Cash and cash equivalents

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

(q) Segment reporting

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

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



Notes to the consolidated financial statements for the year ended 31 March 2015 (cont'd)



	As at 31 March 2015		As at 31 March 2014	
	Number	₹	Number	₹
4 SHARE CAPITAL				
Authorised				
Equity shares of ₹ 5 each	10,80,00,000	54,00,00,000	10,80,00,000	54,00,00,000
Preference shares of ₹ 100 each	1,00,000	1,00,00,000	1,00,000	1,00,00,000
	10,81,00,000	55,00,00,000	10,81,00,000	55,00,00,000
Issued share capital				
Equity shares of ₹ 5 each fully paid up	2,72,40,693	13,62,03,465	2,00,11,581	10,00,57,905
Subscribed and paid up				
Equity shares of ₹ 5 each fully paid	2,71,89,593	13,59,47,965	1,99,60,481	9,98,02,405
Add: Forfeited shares (amount originally paid ₹ 3 per share on 51,100 equity shares)	-	1,53,300	-	1,53,300
	2,71,89,593	13,61,01,265	1,99,60,481	9,99,55,705
a. Reconciliation of the equity shares				
Balance at the beginning of the year	1,99,60,481	9,99,55,705	1,99,60,481	9,99,55,705
Add : Issued during the year (Also, refer note 2 (f))	72,29,112	3,61,45,560	-	-
Balance at the end of the year	2,71,89,593	13,61,01,265	1,99,60,481	9,99,55,705
b. Terms and rights attached to equity shares				
The Company has only one class of equity shares having a par value of ₹ 5 per share. Each equity share is entitled to one vote per share. The dividend, if any, proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting shall be payable in Indian rupees. In the event of liquidation of the company, the shareholders will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.				
c. Shares held by the Holding Company and subsidiaries of Holding Company				
	As at 31 March 2015		As at 31 March 2014	
	Number	₹	Number	₹
Ultimate Holding Company:				
Jupiter Capital Private Limited	2,36,178	11,80,890	-	-
Subsidiaries of Ultimate Holding Company:				
Tayana Digital Private Limited	1,21,42,100	6,07,10,500	1,21,42,100	6,07,10,500
Indian Aero Ventures Private Limited	36,96,236	1,84,81,180	-	-
d. Details of shareholders holding more than 5% shares in the Company				
(i) Tayana Digital Private Limited	1,21,42,100	6,07,10,500	1,21,42,100	6,07,10,500
(ii) Yukti Securities Private Limited *	5,72,208	28,61,040	11,72,208	58,61,040
(iii) Indian Aero Ventures Private Limited	36,96,236	1,84,81,180	-	-
	1,64,10,544	8,20,52,720	1,33,14,308	6,65,71,540
* The shareholding has reduced to less than 5% during the current year.				
e. In the period of five years immediately preceding the Balance Sheet date, the Company has not issued any shares pursuant to contract without payment being received in cash or any bonus shares or has bought back any shares.				

Notes to the consolidated financial statements for the year ended 31 March 2015 (cont'd)



5 RESERVES AND SURPLUS

	As at 31 March 2015 ₹	As at 31 March 2014 ₹
a. Securities premium account		
Balance at the beginning of the year	43,68,69,738	29,81,29,199
Add: Addition on account of the Scheme ¹	-	65,49,61,656
Less: Deficit transferred from Statement of Profit and Loss as per the Scheme (Also, refer note 2)	-	(51,62,21,117)
Balance at the end of the year	43,68,69,738	43,68,69,738
¹ Represents the securities premium of Cades Digitech Private Limited as on 01 April 2012, the Appointed Date (Also, refer note 2).		
	As at 31 March 2015 ₹	As at 31 March 2014 ₹
b. Unrealised surplus on dilution (Also, refer note (i) below)	-	15,56,77,540
Less: Adjustment pursuant to the Scheme	-	(15,56,77,540)
	-	-
(i) The amount of ₹ 155,677,540 represented the unrealised surplus on dilution of the equity interest of the Parent in Cades consequent to a preferential allotment of equity shares. Pursuant to the Scheme, the Company's equity interest in Cades stands cancelled with effect from 01 April 2012, the Appointed Date (Also, refer note 2) and this unrealised surplus has been eliminated.		
	As at 31 March 2015 ₹	As at 31 March 2014 ₹
c. Capital reserve account		
Balance at the beginning of the year	-	-
Add: Reserve created as per the Scheme (Also, refer note 2)	-	3,54,26,355
Less: Deficit transferred from Statement of Profit and Loss as per the Scheme (Also, refer note 2)	-	(3,54,26,355)
Balance at the end of the year	-	-
d. Hedge reserve		
Balance at the beginning of the year	(7,50,686)	-
Movement during the year	(23,37,761)	(7,50,686)
Balance at the end of the year	(30,88,447)	(7,50,686)
e. Foreign currency translation reserve	7,72,33,639	2,93,57,294
f. Surplus/(deficit) in the Statement of Profit and Loss		
Balance at the beginning of the year	41,14,28,718	19,78,94,628
Add: Deficit adjusted through transfer to Capital Reserve and Securities Premium account (see notes (a) and (c) above) as per the Scheme (Also, refer note 2)	-	55,16,47,472
Less: Accumulated deficit of Cades ²	-	(51,43,65,522)
Add: Net profit of Cades for the period from 1 April 2012 (Appointed Date) to 31 March 2013 allocated to minority interest (Also, refer note 2)	-	2,55,32,728
Add : Transferred from Statement of Profit and Loss	19,80,73,130	15,97,84,446
Less: Minority interest	(39,57,520)	(90,65,034)
Balance at the end of the year	60,55,44,328	41,14,28,718
Total	1,11,65,59,258	87,69,05,064

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



Notes to the consolidated financial statements for the year ended 31 March 2015 (cont'd)



	As at 31 March 2015 ₹	As at 31 March 2014 ₹
6 MINORITY INTEREST		
Balance at the beginning of the year	1,77,04,733	19,81,46,797
Less: Adjustment pursuant to the Scheme (Also, refer note 2) ³	-	(17,26,14,070)
Less: Net Profit of Cades for the period from 1 April 2012 (appointed date) to 31 March 2013 (Also, refer note 2) ³	-	(2,55,32,728)
Additions for the year	39,57,520	1,77,04,734
Balance at the end of the year	2,16,62,253	1,77,04,733

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

7 BORROWINGS

	As at 31 March 2015		As at 31 March 2014	
	Long-term ₹	Short-term ₹	Long-term ₹	Short-term ₹
Secured				
Term loan	1,50,00,000	-	13,50,00,000	-
Less: Current maturities of long-term borrowings (Also, refer note 11)	(55,00,000)	-	(6,00,00,000)	-
	95,00,000	-	7,50,00,000	-
Working capital loan	-	24,95,06,187	-	18,66,53,278
Line of credit	-	28,18,651	-	10,20,688
	-	25,23,24,838	-	18,76,73,966
Unsecured				
Intercorporate deposit	-	-	77,07,895	-
Total	95,00,000	25,23,24,838	8,27,07,895	18,76,73,966

(I) AXISCADES Engineering Technologies limited

(a) Details of security for borrowings

Term loan from a Bank is secured by exclusive charge on both moveable and immoveable assets of the company; first charge on land and building of the Company situated at D-30 Sector 3, Noida, UP and by a corporate guarantee from AXISCADES Aerospace & Technologies Private Limited for ₹ 50 million (31 March 2014: ₹ 150 million).

Working capital loans (inclusive of packing credit facility in foreign currency) from a bank are secured by first exclusive charge on current assets, exclusive charge on movable assets and second exclusive equitable mortgage on land and building of the Company situated at D-30, Sector 3, Noida, UP and by a corporate guarantee from AXISCADES Aerospace & Technologies Private Limited for ₹ 302.5 million (31 March 2014: ₹ 200 million). Additionally, 20% cash margin in the form of fixed deposits lien to be maintained if PCFC availment exceeds ₹ 102.5 million.

(b) Terms of borrowings and rate of interest

Term loans having an interest rate of Bank's base rate plus 2.50 % subject to a minimum of 13% are repayable from May 2015 over 30 equal monthly instalments post a moratorium of 6 months. (31 March 2014: term loans having an interest rate of bank's base rate plus 2.50% were repayable from March 2014 over 10 equal quarterly instalments.)

Packing credit in foreign currency from bank bearing an interest rate of 3% - 6% (31 March 2014: 3% - 6%) are repayable over maximum tenure of 180 days from the date of respective availment.

Intercorporate deposits carrying an interest rate of 11% (31 March 2014: 11%) per annum has been fully repaid in the current year.

(II) Axis Inc.

Line of credit facility is secured by tangible/intangible, current and non-current assets of the Company. The line of credit facility is repayable within one year from the date of availment and carries effective interest of LIBOR plus 2.50% (31 March 2014: 2.50%) p.a.

8 PROVISIONS

	As at 31 March 2015		As at 31 March 2014	
	Long-term ₹	Short-term ₹	Long-term ₹	Short-term ₹
Provision for employee benefits				
Gratuity (Also, refer note 9(a))	2,80,48,066	10,29,667	2,16,31,080	7,34,658
Compensated absences	1,25,27,089	21,17,063	99,39,006	25,70,695
	4,05,75,155	31,46,730	3,15,70,086	33,05,353
Other provisions				
Fringe benefit tax, net of advance taxes	82,281	-	1,29,445	-
	82,281	-	1,29,445	-
	4,06,57,436	31,46,730	3,16,99,531	33,05,353



Notes to the consolidated financial statements for the year ended 31 March 2015 (cont'd)



9 EMPLOYEE BENEFIT OBLIGATIONS

a) Gratuity

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

	Year ended 31 March 2015	Year ended 31 March 2014
	₹	₹
Changes in the present value of the defined benefit obligation are as follows:		
Defined benefit obligation at the beginning of the year	2,23,65,738	1,44,87,115
Defined benefit obligation on account of acquisition of Studec	-	30,40,425
Current service cost	78,30,871	51,91,973
Past service cost	(5,72,925)	-
Interest cost	19,68,375	6,84,808
Benefits paid	(33,79,974)	(15,68,218)
Actuarial gains	8,65,649	5,29,635
Defined benefit obligation at the end of the year	2,90,77,734	2,23,65,738
Components of net gratuity costs are:		
Current service cost	78,30,871	51,91,973
Past service cost	(5,72,925)	-
Interest on defined benefit obligation	19,68,375	6,84,808
Net actuarial gains	8,65,649	5,29,635
Expenses recognised in the Statement of Profit and Loss for the year	1,00,91,970	64,06,416

Experience adjustments for the year and present value of unfunded obligations as at:

	31 March 2011	31 March 2012	31 March 2013	31 March 2014	31 March 2015
Experience adjustments	(22,27,395)	(3,43,681)	(5,83,563)	4,98,600	(3,61,852)
Net liability recognised in the Balance Sheet	1,04,89,568	1,19,27,490	1,44,87,115	2,23,65,738	2,90,77,733

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

	7.81% - 8%	9.12%-9.17%
Discount rate	7.81% - 8%	9.12%-9.17%
Salary escalation rate	5.6% - 20%	5.6% - 6%
Retirement age	58 - 60 Years	58 Years

b) Defined contribution plan

The Company makes contribution of statutory provident fund as per Employees Provident Fund and Miscellaneous Provision Act, 1952. This is a defined contribution plan as per AS 15. Contribution made during the year ended 31 March 2015 is ₹ 28,698,028 (31 March 2014: ₹ 23,673,918).

c) Overseas social security

The Company makes contribution towards social security charges for its employees located at the branch office in respective foreign geographies which is a defined contribution plan. Contributions paid or payable is recognised as an expenses in the period in which the employee renders services in respective foreign geographies. Contribution made during the year ended 31 March 2015 is ₹ 118,853,069 (31 March 2014: ₹ 122,842,807).

10 TRADE PAYABLES

	As at 31 March 2015	As at 31 March 2014
	₹	₹
Dues to creditors	8,26,04,997	14,03,14,499
Accrued expenses	4,11,78,816	5,06,69,945
	12,37,83,813	19,09,84,444

11 OTHER CURRENT LIABILITIES

Duties and taxes payable	7,40,76,963	5,30,16,732
Advance from customers	5,15,00,819	5,26,62,674
Unearned revenue	24,50,000	20,00,000
Dues to employees	4,52,00,275	4,17,88,883
Book overdraft	-	72,60,329
Current maturities of long-term borrowings (Also, refer note 7)	55,00,000	6,00,00,000
Hedge liability	30,88,447	7,50,686
Security deposits	-	6,78,308
Creditors for capital goods	44,88,460	46,61,163
	18,63,04,964	22,28,18,775



Notes to the consolidated financial statements for the year ended 31 March 2015 (cont'd)

12 TANGIBLE ASSETS

	Freehold land	Computers	Furniture and fixtures	Office equipment	Electrical installations	Vehicles	Office building	Leasehold improvements	Total
Gross block									(Amount in ₹)
Balance as at 1 April 2013	22,64,437	11,06,85,029	2,42,29,197	4,06,85,071	20,59,794	17,56,331	1,65,81,724	-	19,82,61,583
Additions on acquisition of Studec	-	94,50,558	47,22,407	76,41,181	-	-	-	46,27,103	2,64,41,249
Other adjustments*	-	73,19,018	19,37,762	7,76,372	-	-	-	9,03,455	1,09,36,607
Other adjustments*	-	30,58,965	5,65,507	35,30,547	-	-	-	2,22,019	73,77,038
Balance as at 31 March 2014	22,64,437	13,05,13,570	3,14,54,873	5,26,33,171	20,59,794	17,56,331	1,65,81,724	57,52,577	24,30,16,477
Additions	-	1,42,18,879	3,48,820	32,49,553	-	30,77,581	-	2,69,587	2,11,64,420
Deletions	-	(62,694)	(3,42,495)	(2,75,497)	-	-	-	-	(6,80,686)
Other adjustments*	-	6,69,359	28,913	15,99,083	-	-	-	(38,993)	22,58,362
Balance as at 31 March 2015	22,64,437	14,53,39,114	3,14,90,111	5,72,06,310	20,59,794	48,33,912	1,65,81,724	59,83,171	26,57,58,573
Accumulated depreciation									
Balance as at 1 April 2013	-	7,26,87,113	1,21,90,292	2,81,08,837	20,59,794	16,95,701	33,09,924	-	12,00,51,661
Additions on acquisition of Studec	-	1,08,86,281	16,80,304	15,84,607	-	-	-	20,80,799	1,62,31,991
Charge for the year	-	2,01,78,522	30,56,018	34,69,279	-	60,630	2,70,282	18,48,761	2,88,83,492
Other adjustments*	-	21,16,857	3,52,350	34,98,787	-	-	-	2,23,947	61,91,941
Balance as at 31 March 2014	-	10,58,68,773	1,72,78,964	3,66,61,510	20,59,794	17,56,331	35,80,206	41,53,507	17,13,59,085
Charge for the year	-	2,11,44,792	31,35,696	30,00,119	-	3,74,369	2,70,282	13,16,405	2,92,41,663
Deletions	-	-	(76,833)	(7,766)	-	-	-	-	(84,599)
Other adjustments*	-	5,86,203	(68,915)	16,65,151	-	-	-	(38,979)	21,43,460
Balance as at 31 March 2015	-	12,75,99,768	2,02,68,912	4,13,19,014	20,59,794	21,30,700	38,50,488	54,30,933	20,26,59,609
Net block									
As at 31 March 2014	22,64,437	2,46,44,797	1,41,75,909	1,59,71,661	-	-	1,30,01,518	15,99,070	7,16,57,392
As at 31 March 2015	22,64,437	1,77,39,346	1,12,21,199	1,58,87,296	-	27,03,212	1,27,31,236	5,52,238	6,30,98,964

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



Notes to the consolidated financial statements for the year ended 31 March 2015 (cont'd)



13 INTANGIBLE ASSETS

Gross block					(Amount in ₹)
	Non-competee fee	Computer software	Process manuals	Goodwill on amalgamation	Total
Balance as at 1 April 2013	19,71,000	33,66,28,256	-	1,64,45,348	35,50,44,604
Additions on acquisition of Studec	-	58,26,276	-	-	58,26,276
Additions	-	99,10,290	4,08,30,631	-	5,07,40,921
Other adjustments*	-	45,83,762	-	-	45,83,762
Balance as at 31 March 2014	19,71,000	35,69,48,584	4,08,30,631	1,64,45,348	41,61,95,563
Additions	-	2,43,79,538	14,26,57,005	-	16,70,36,543
Other adjustments*	-	16,07,312	-	-	16,07,312
Balance as at 31 March 2015	19,71,000	38,29,35,434	18,34,87,636	1,64,45,348	58,48,39,418
Accumulated amortisation					
Balance as at 1 April 2013	19,71,000	25,72,58,426	-	1,64,45,348	27,56,74,774
Additions on acquisition of Studec	-	16,34,875	-	-	16,34,875
Charge for the year	-	4,95,51,046	31,98,246	-	5,27,49,292
Other adjustments*	-	42,33,108	-	-	42,33,108
Balance as at 31 March 2014	19,71,000	31,26,77,455	31,98,246	1,64,45,348	33,42,92,049
Charge for the year	-	3,48,68,102	2,92,43,634	-	6,41,11,736
Other adjustments*	-	15,68,294	-	-	15,68,294
Balance as at 31 March 2015	19,71,000	34,91,13,851	3,24,41,880	1,64,45,348	39,99,72,079
Net block					
As at 31 March 2014	-	4,42,71,129	3,76,32,385	-	8,19,03,514
As at 31 March 2015	-	3,38,21,583	15,10,45,756	-	18,48,67,339

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

14 INTANGIBLE ASSETS UNDER DEVELOPMENT

	Process manuals	(Amount in ₹)
	₹	Total
Balance as at 1 April 2013	16,47,41,807	16,47,41,807
Additions during the year	1,74,38,811	1,74,38,811
Less: Capitalised during the year	4,08,30,631	4,08,30,631
Balance as at 31 March 2014	14,13,49,987	14,13,49,987
Additions during the year	13,07,018	13,07,018
Less: Capitalised during the year	14,26,57,005	14,26,57,005
Balance as at 31 March 2015	-	-

15 INVESTMENTS

Non-current investments (Non trade, unquoted, valued at cost unless stated otherwise)	As at 31 March 2015		As at 31 March 2014	
	Long-term	Short-term	Long-term	Short-term
	₹	₹	₹	₹
Investments in equity instruments				
Axis Cogent Global Limited 946,822 (31 March 2014 - 946,822) equity shares of ₹ 10 each fully paid	1,09,13,660	-	1,09,13,660	-
Datum Technology Limited 50,000 (31 March 2014 - 50,000) equity shares of ₹ 10 each fully paid	5,00,000	-	5,00,000	-
Less : Provision for diminution in the value of long-term investments				
Datum Technology Limited	(5,00,000)	-	(5,00,000)	-
Axis Cogent Global Limited	(1,09,13,660)	-	(35,00,000)	-
Other investments				
National Savings Certificate	5,000	-	5,000	-
LIC Nomura Liquid Fund	-	35,67,102	-	-
	5,000	35,67,102	74,18,660	-



Notes to the consolidated financial statements for the year ended 31 March 2015 (cont'd)



	31 March 2015 ₹	31 March 2014 ₹
16 TRADE RECEIVABLES		
(Unsecured)		
Outstanding for a period exceeding six months from the date they are due for payment		
Considered good	86,65,251	1,00,23,241
Doubtful	2,13,90,785	8,29,60,710
	3,00,56,036	9,29,83,951
Other debts		
Considered good	59,87,46,383	70,97,83,894
	62,88,02,419	80,27,67,845
Allowances for doubtful debts	(2,13,90,785)	(8,29,60,710)
	60,74,11,634	71,98,07,135

As at 31 March 2015, trade receivables include a sum of ₹ 9,543,335 (31 March 2014: ₹ 42,675,190) foreign currency receivables outstanding for more than 365 days. In this regard, the Company has filed for extension with its Authorised Dealer as per the required provisions of Foreign Exchange Management Act, 1999.

	As at 31 March 2015 ₹	As at 31 March 2014 ₹
17 DEFERRED TAXES		
Deferred tax assets		
Provision for doubtful trade receivables	74,02,923	2,80,52,177
Provision for unbilled revenue	36,32,935	34,05,877
Provision for employee benefits	1,59,60,585	1,18,28,955
Lease rent equalisation	30,52,584	19,56,823
Expenses disallowed u/s Section 35DD of Income-tax Act, 1961	61,03,350	-
Provision for doubtful service tax	5,01,375	4,70,039
Unabsorbed carry forward losses	7,21,359	31,81,842
Total	3,73,75,111	4,88,95,713
Deferred tax liabilities		
Timing difference on depreciation and amortisation	1,09,92,031	1,18,37,960
Total	1,09,92,031	1,18,37,960
Deferred tax asset, net	2,63,83,080	3,70,57,753

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

	As at 31 March 2015		As at 31 March 2014	
	Long-term ₹	Short-term ₹	Long-term ₹	Short-term ₹
18 LOANS AND ADVANCES				
(Unsecured, considered good)				
Security deposit	5,55,26,163	8,30,448	4,87,48,841	15,83,438
Loans and advances to related parties				
Expenses incurred on behalf of Fellow Subsidiary	-	-	-	9,77,340
Other loans and advances				
Advance income-tax (net of provision for taxation)	6,49,19,869	-	5,94,43,763	-
MAT credit entitlement	1,89,15,392	-	2,73,84,670	-
Duties and taxes recoverable	43,43,990	1,38,29,450	4,56,30,969	2,31,78,935
Prepaid expenses	1,26,03,831	2,40,78,775	1,33,24,992	2,09,13,823
Deposit with immigration authorities	-	41,85,134	-	14,51,651
Advance to suppliers	-	52,85,247	-	50,94,171
Advances to employees	-	91,23,470	-	81,95,135
Other advances	-	3,00,492	-	7,14,159
	10,07,83,082	5,68,02,568	14,57,84,394	5,95,47,874
Allowances for doubtful duties and taxes recoverable	-	(14,48,725)	-	(14,48,725)
	10,07,83,082	5,53,53,843	14,57,84,394	5,80,99,149
	15,63,09,245	5,61,84,292	19,45,33,235	6,06,59,927

Notes to the consolidated financial statements for the year ended 31 March 2015 (cont'd)



19 OTHER ASSETS	As at 31 March 2015		As at 31 March 2014	
	Non-current ₹	Current ₹	Non-current ₹	Current ₹
Unbilled revenue				
Considered good	-	27,90,31,000	-	15,01,18,177
Doubtful	-	1,04,97,386	-	1,04,97,386
	-	28,95,28,386	-	16,06,15,563
Allowances for doubtful unbilled revenue	-	(1,04,97,386)	-	(1,04,97,386)
	-	27,90,31,000	-	15,01,18,177
Interest accrued on fixed deposits	-	20,59,675	-	34,48,775
Rent receivable	-	-	-	2,36,991
Bank deposits with maturity of more than 12 months (Also, refer note 20)	50,17,500	-	3,31,075	-
	50,17,500	28,10,90,675	3,31,075	15,38,03,943

20 CASH AND BANK BALANCES	As at 31 March 2015		As at 31 March 2014	
	Non-current ₹	Current ₹	Non-current ₹	Current ₹
Cash and cash equivalents				
Cash on hand	-	1,82,700	-	1,11,498
Balances with banks in current accounts	-	16,49,47,613	-	3,33,55,571
	-	16,51,30,313	-	3,34,67,069
Other bank balances				
Deposits with maturity for more than three months	-	7,32,70,401	-	2,60,92,500
Margin money deposits (Also, refer note (a) below)	50,17,500	2,77,50,159	3,31,075	3,87,75,758
	50,17,500	10,10,20,560	3,31,075	6,48,68,258
Less : Amounts disclosed as other non-current assets (Also, refer note 19)				
Margin money deposits	(50,17,500)	-	(3,31,075)	-
	-	26,61,50,873	-	9,83,35,327

(a) Fixed deposits given as security:

- Fixed deposits of a carrying amount ₹ 32,036,959 (31 March 2014: ₹ 38,775,758) have been deposited as margin money at 20% against the packing credit facility loan availed from a bank.
- Deposits of a carrying amount ₹ 718,200 (31 March 2014: ₹ 331,075) have been deposited as bank guarantee towards lien on customs department and various customers.

21 REVENUE FROM OPERATIONS

	Year ended 31 March 2015 ₹	Year ended 31 March 2014 ₹
Engineering design services	3,17,58,92,736	3,06,81,04,345
	3,17,58,92,736	3,06,81,04,345

22 OTHER INCOME

Interest income		
- from fixed deposits	68,37,267	66,38,578
- on income-tax refund	10,86,687	4,38,849
- lease deposits	32,78,327	47,03,787
Net gain on foreign currency transaction and translation	-	1,37,43,796
Provision no longer required, written back	42,38,988	5,62,917
Rental income	6,17,400	20,57,800
Dividend Income	3,17,102	-
Miscellaneous income	1,62,236	26,42,475
	1,65,38,007	3,07,88,202



Notes to the consolidated financial statements for the year ended 31 March 2015 (cont'd)



23 EMPLOYEE BENEFITS EXPENSE

Salaries, wages and bonus ¹	1,79,48,82,385	1,74,48,33,363
Contribution to provident and other funds	2,93,87,112	2,41,40,729
Contribution to overseas social security	11,88,53,069	12,28,42,807
Staff welfare expense	5,42,13,930	4,87,22,560
Provision for gratuity (Also, refer note 9(a))	1,00,91,970	64,06,416
Provision for compensated absences	41,82,508	34,05,515
	2,01,16,10,974	1,95,03,51,390

¹ Net of salary costs of ₹ 788,977 (31 March 2014: ₹ 3,654,188) capitalised towards creation of intangible assets under development.

24 OTHER EXPENSES

	Year ended 31 March 2015	Year ended 31 March 2014
	₹	₹
Rent	10,50,35,339	10,71,38,550
Power and fuel	2,47,69,264	2,28,68,273
Travelling and conveyance	16,60,52,087	12,02,09,631
Repairs and maintenance		
-Building	2,19,14,172	1,82,91,892
-Others	50,89,329	46,42,313
Recruitment and training expenses	1,61,42,326	1,50,31,867
Communication expenses ¹	2,96,50,147	1,62,04,324
Equipment hire charges	3,85,21,829	1,75,46,073
Legal and professional charges	6,01,67,676	4,32,79,587
Auditor's remuneration	29,59,463	25,42,367
Printing and stationery	29,34,866	29,48,935
Security charges	33,98,179	27,77,965
Rates and taxes	91,21,850	45,91,869
Project consultancy charges ²	13,96,00,241	23,52,14,784
Software subscription charges	6,37,22,483	5,88,46,212
Infrastructure usage charges	1,31,68,361	9,15,84,247
Genset design cost	-	3,11,17,906
Directors sitting fees	25,30,000	7,80,000
Sales commission and brokerage	13,90,209	33,25,416
Advertising expenses	1,64,08,681	75,33,201
Insurance expenses	99,39,479	87,61,459
Bank charges	15,30,778	34,19,612
Postage and courier charges	14,66,418	12,60,315
Provision for doubtful debts	42,12,288	36,19,940
Provision for doubtful unbilled revenue	-	70,28,889
Net loss on foreign currency transactions and translations	35,34,456	-
Corporate social responsibility expenses (Also refer note 29)	19,37,000	-
Miscellaneous expenses	8,93,370	12,18,802
	74,60,90,291	83,17,84,429

¹ Net of internet charges of ₹ 518,041 (31 March 2014: ₹ 6,164,220) capitalised towards creation of intangible assets under development.

² Net of professional consultancy fee of ₹ Nil (31 March 2014: ₹ 7,620,402) capitalised towards creation of intangible assets under development.

25 FINANCE COSTS

	Year ended 31 March 2015	Year ended 31 March 2014
	₹	₹
Interest on loans		
From bank	1,47,83,156	2,33,85,752
Intercompany deposits	1,07,425	53,76,711
Other borrowing cost (processing fees)	86,41,700	73,14,630
	2,35,32,281	3,60,77,093

26 DEPRECIATION AND AMORTISATION EXPENSE

Depreciation of tangible assets (Also, refer note 12)	2,92,41,663	2,88,83,492
Amortisation of intangible assets (Also, refer note 13)	6,41,11,736	5,27,49,292
	9,33,53,399	8,16,32,784

Notes to the consolidated financial statements for the year ended 31 March 2015 (cont'd)



27 EXCEPTIONAL ITEMS

Stamp duty (Also, refer note (a) below)	2,22,94,578	-
Provision for diminution in the value of non-current investments - Axis Cogent Global Limited	74,13,658	35,00,000
	2,97,08,236	35,00,000

a. Pursuant to the allotment of equity shares as per the Scheme (Also, refer note 2), the Company has remitted stamp duty expense on the transaction amounting to ₹ 22,294,578 during the year ended 31 March 2015.

28 EARNINGS PER SHARE (EPS)	Year ended	Year ended
	31 March 2015	31 March 2014
	₹	₹
a) Profit after tax attributable to equity shares (₹)	19,41,15,610	15,07,19,412
b) Weighted average number of shares outstanding	2,52,28,820	1,99,60,481
c) Nominal value of shares (₹)	5.00	5.00
d) Basic earning per share (₹)	7.69	7.55
e) Number of shares to be issued pursuant to the Scheme (Also, refer note 2)	-	72,29,112
f) Number of equity shares used to compute diluted earnings per share	2,52,28,820	2,71,89,593
g) Diluted earnings per share (₹)	7.69	5.54

29 Corporate social responsibility

Pursuant to the provisions of Section 135 of the Act and the Rules made thereunder, the gross amount required to be spent by the Company during the year ended 31 March 2015 amounts to ₹1,937,000. The Company has paid ₹1,937,000 to two non-government organizations engaged in the field of development of skills of under-privileged children, enabling them to overcome adversity and flourish in a fast changing world.

30 RELATED PARTY DISCLOSURES

i. Parties where control exists :

Nature of relationship	Name of party
Holding Company	Jupiter Capital Private Limited ('JCPL'). Tayana Digital Private Limited (TDPL) ceased to be the intermediate holding company w.e.f. 09 July 2014 and in turn AXISCADES Aerospace & Technologies Private Limited, (ACAT, formerly known as Axis Aerospace & Technologies Limited) also ceased to be the intermediate holding company. ACAT is a subsidiary of JCPL.

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

Fellow subsidiary	Hindusthan Infrastructure Projects & Engineering Private Limited
Fellow subsidiary	AXISCADES Aerospace & Technologies Private Limited
Fellow subsidiary	Enertec Controls Limited

iii. Key management personnel:

CEO and Chairman	Mr. S. Ravinarayanan (resigned as CEO w.e.f. 24 February 2014)
CEO and Director	Mr. Valmeekeanathan S. (appointed w.e.f. 25 February 2014)
CFO and Director	Mr. Kaushik Sarkar (appointed w.e.f. 12 September 2014)
Company Secretary	Ms. Shweta Agrawal (w.e.f. 1 April 2014)

iv. Transactions with related parties:

(Amount in ₹)

Nature of transactions	Relationship	Year ended	
		31 March 2015	31 March 2014
Revenue from operations AXISCADES Aerospace & Technologies Private Limited	Fellow subsidiary (intermediate Holding Company until 09 July 2014)	4,50,00,000	8,36,69,233
Expenses incurred on behalf of AXISCADES Aerospace & Technologies Private Limited	Fellow subsidiary (intermediate Holding Company until 09 July 2014)	1,30,25,683	1,36,01,571
Corporate guarantee fee income AXISCADES Aerospace & Technologies Private Limited	Fellow subsidiary (intermediate Holding Company until 09 July 2014)	-	25,78,125
Intercorporate deposits availed AXISCADES Aerospace & Technologies Private Limited	Fellow subsidiary (intermediate Holding Company until 09 July 2014)	-	18,90,00,000
Intercorporate deposits repaid AXISCADES Aerospace & Technologies Private Limited	Fellow subsidiary (intermediate Holding Company until 09 July 2014)	77,07,895	18,52,92,105



Notes to the consolidated financial statements for the year ended 31 March 2015 (cont'd)



iv. Transactions with related parties: (cont'd)

(Amount in ₹)

Nature of transactions	Relationship	Year ended	
		31 March 2015	31 March 2014
Jupiter Capital Private Limited	Holding Company	-	4,25,00,000
Remuneration			
Mr. S. Ravinarayanan	CEO and Chairman	-	16,28,565
Mr. Valmeekanathan S.	CEO and Director	1,15,80,000	8,57,143
Mr. Kaushik Sarkar	CFO and Director	39,57,244	-
Ms. Shweta Agrawal	Company Secretary	14,11,694	-
Rent paid			
Hindusthan Infrastructure Projects & Engineering Private Limited	Fellow subsidiary (intermediate Holding Company until 09 July 2014)	-	2,72,587
Interest expense on intercorporate deposits			
AXISCADES Aerospace & Technologies Private Limited	Fellow subsidiary (intermediate Holding Company until 09 July 2014)	18,583	40,58,671
Jupiter Capital Private Limited	Ultimate Holding Company	-	13,17,740
Expenses Recovered			
AXISCADES Aerospace & Technologies Private Limited	Fellow subsidiary (intermediate Holding Company until 09 July 2014)	1,40,03,021	1,26,24,233
Corporate guarantee received			
Enertec Controls Limited	Fellow subsidiary	-	15,00,00,000
Corporate guarantee extinguished			
AXISCADES Aerospace & Technologies Private Limited	Fellow subsidiary (intermediate Holding Company until 09 July 2014)	-	82,50,00,000
Enertec Controls Limited	Fellow subsidiary	15,00,00,000	-

v. Balances as at the year end:

(Amount in ₹)

Nature of transactions	Relationship	Year ended	
		31 March 2015	31 March 2014
Trade receivables			
AXISCADES Aerospace & Technologies Private Limited	Fellow subsidiary (intermediate holding company until 09 July 2014)	5,05,62,000	4,32,15,093
Intercorporate deposit outstanding			
AXISCADES Aerospace & Technologies Private Limited	Fellow subsidiary (intermediate holding company until 09 July 2014)	-	77,07,895
Remuneration payable			
Mr. Valmeekanathan S.	CEO and Director	15,00,000	4,89,029
Mr. Kaushik Sarkar	CFO and Director	4,11,885	-
Ms. Shweta Agrawal	Company Secretary	49,931	-
Corporate guarantee outstanding			
Enertec Controls Limited	Fellow subsidiary	-	15,00,00,000
AXISCADES Aerospace & Technologies Private Limited	Fellow subsidiary (intermediate holding company until 09 July 2014)	35,50,00,000	35,50,00,000
Loans and advances			
AXISCADES Aerospace & Technologies Private Limited	Fellow subsidiary (intermediate holding company until 09 July 2014)	-	9,77,339

31 DISCLOSURES IN RESPECT OF NON-CANCELLABLE OPERATING LEASES

The lease expenses for cancellable and non-cancellable operating leases during the year ended 31 March 2015 was ₹ 105,035,339 (31 March 2014: ₹ 107,138,550)

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

Payments falling due:

	As at 31 March 2015 ₹	As at 31 March 2014 ₹
Not later than one year	3,03,86,043	4,14,55,604
Later than one year but not later than 5 years	3,74,67,253	4,13,01,552
Later than 5 years	-	-
	6,78,53,296	8,27,57,156

The Group's significant leasing arrangements in respect of operating leases for office premises, which includes both cancellable and non-cancellable leases and range between 11 months and 9 years generally and are usually renewable by mutual consent on mutually agreeable terms. The aggregate lease rentals payable are charged as Rent under Note 24 to the accounts.



Notes to the consolidated financial statements for the year ended 31 March 2015 (cont'd)



32 SEGMENT REPORTING

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

Particulars		External sales
Asia Pacific	31 March 2015	47,58,16,732
	31 March 2014	46,19,24,368
Europe	31 March 2015	1,46,03,22,000
	31 March 2014	1,48,13,39,521
USA	31 March 2015	1,55,55,78,004
	31 March 2014	1,38,19,78,339
Intersegment Revenue	31 March 2015	(31,58,24,000)
	31 March 2014	(25,71,37,883)
Total	31 March 2015	3,17,58,92,736
	31 March 2014	3,06,81,04,345

33 TRANSFER PRICING

The Company is required to use certain specified methods in computing arm's length price of international transactions between the associated enterprises and maintain prescribed information and documents relating to such transactions. The appropriate method to be adopted will depend on the nature of transactions / class of transactions, class of associated persons, functions performed and other factors, which have been prescribed. The Company is in the process of updating the Transfer Pricing documentation for the financial year ending 31 March 2015 following a detailed transfer pricing study conducted for the financial year ended 31 March 2014. In the opinion of the management, the same would not have an impact on these financial statements. Accordingly, these financial statements do not include the effect of the transfer pricing implications, if any.

34 DISCLOSURE OF ADDITIONAL INFORMATION PERSUANT TO SCHEDULE III OF THE COMPANIES ACT, 2013

Name of the entity	Net Assets		Share in profit or loss	
	As % of Consolidated net assets	Amount	As % of Consolidated profit or loss	Amount
A. Parent AXISCADES Engineering Technologies Limited	70%	88,08,65,032	57%	11,32,37,347
B. Subsidiaries				
i. Indian Cades Studec Technologies (India) Private Limited	7%	9,12,24,186	8%	1,64,89,670
ii. Foreign Axis Inc., U.S.A.	16%	20,43,16,588	4%	83,67,017
Axis EU Europe Limited (formerly known as Axis EU Limited, a step down subsidiary)	5%	6,44,40,581	1%	24,91,288
Cades Technology Canada Inc.	7%	9,18,13,328	30%	5,94,53,762
Axis Mechanical Engineering Design (Wuxi) Co., Ltd.	0%	(6,99,540)	(1%)	(11,60,769)
C. Minority interest in all subsidiaries				
i. Indian Cades Studec Technologies (India) Private Limited	2%	2,16,62,253	2%	39,57,520
ii. Foreign Not applicable	-	-	-	-
D. Joint Ventures Not applicable	-	-	-	-

Notes to the consolidated financial statements for the year ended 31 March 2015 (cont'd)



35 DERIVATIVE INSTRUMENTS AND UNHEDGED FOREIGN CURRENCY EXPOSURE

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

Category	Currency	Buy / Sell	31 March 2015
Forward contracts for hedging	USD	Sell	77,33,461

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

Particulars	Currency	31 March 2015			31 March 2014	
		Conversion rate	Amount in foreign currency	Amount in ₹	Conversion rate	Amount in foreign currency
Trade receivables	USD	62.59	-	-	60.10	27,85,959
	GBP	92.46	-	-	99.85	-
	EURO	67.51	7,39,418	4,99,18,420	82.58	3,46,134
Trade payables	USD	62.59	3,24,772	2,03,27,722	60.10	9,28,671
	EURO	67.51	81,327	54,90,415	82.58	2,67,099
	JPY	0.52	3,00,000	1,56,330	0.59	3,00,000
Salary payable	USD	62.59	48,895	30,60,408	60.10	18,028
	EURO	67.51	85,546	57,75,211	82.58	94,528
PCFC	USD	62.59	31,65,445	19,81,27,735	60.10	27,29,895

36 DETAILS OF SUBSIDIARY COMPANIES

Particulars	Axis EU	Axis Inc.	Studec	Cades Canada
Share capital	5,32,07,993	14,06,55,736	62,50,000	4,914
Reserves and surplus	1,12,32,579	6,36,60,908	8,49,74,186	9,18,08,414
Total assets	8,77,17,520	25,93,56,121	10,85,17,965	17,57,37,025
Total liabilities	8,77,17,520	25,93,56,121	10,85,17,965	17,57,37,025
Revenue from operations	25,61,83,537	86,02,10,964	15,02,96,569	31,34,80,457
Profit/ (loss) before tax	28,19,310	87,58,831	2,44,86,415	7,48,03,977
Tax expense	4,82,267	1,94,282	79,96,745	2,05,43,400
Profit/ (loss) after tax	23,37,043	85,64,550	1,64,89,670	5,42,60,576

37 APPOINTMENT OF CHIEF FINANCIAL OFFICER

After the Balance sheet date, the Company's application seeking approval from the Central Government for the remuneration to the Executive Financial Officer (CFO) of the Company has been viewed negatively in light of the provisions of Section 203 of the Act.

The Management has been advised by an expert opinion that appointment of the CFO is compliant with Section 203 and they have supported prevailing corporate practice as well. Further, the Management has also been advised to resubmit the application to the Policy Wing of the M Affairs for re-examination and if found in order, to view the application positively.

Based on the expert's opinion, Management is of the view that aforesaid denial of the permission does not have any financial implications and Management has taken requisite steps as advised. Meanwhile, the Company shall maintain status quo till final disposal of the aforesaid application.

38 PREVIOUS YEAR FIGURES

Previous year's figures have been regrouped / reclassified wherever necessary, to conform to current year's classification.

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

For and on behalf of the Board of Directors

-sd-
per Aasheesh Arjun Singh
 Partner

-sd-
Valmeekanathan S.
 CEO and Director

-sd-
Kedarnath Choudhury
 Director

New Delhi
 18 May 2015

New Delhi
 18 May 2015

New Delhi
 18 May 2015



Notice of 25th Annual General Meeting



NOTICE is hereby given that the Twenty Fifth Annual General Meeting of the members of AXISCADES Engineering Technologies Limited (formerly known as Axis-IT&T Limited) will be held at Air Force Auditorium, Subroto Park, New Delhi- 110010, on **Monday, September 7, 2015 at 10.30 a.m.** to transact the following businesses:

ORDINARY BUSINESS

Item No. 1

Adoption of Audited Financial Statements

To receive, consider and adopt the Financials Statement of the company for the year ended March 31, 2015 including the Audited Balance sheet as on 31st March 2015, the Statement of Profit and Loss for the year ended on that date (including the consolidated financial statements) together with the reports of the Board of Directors and Auditors thereon.

Item No. 2

Appointment of Director, Mr. Rohitasava Chand

To appoint a Director in place of Mr. Rohitasava Chand (DIN No. 00011150), who retires by rotation and being eligible, offers himself for re-appointment.

Item No. 3

Appointment of Director, Mr. Valmeekanathan S.

To appoint a Director in place of Mr. Valmeekanathan (DIN No. 05297798) who retires by rotation and being eligible, offers himself for re-appointment.

Item No. 4

To ratify the appointment of Auditors

To consider and if thought fit, to pass the following resolution as an ordinary resolution:

“RESOLVED THAT the appointment of M/S Walker Chandiook & Co LLP Chartered Accountants, Bengaluru (Firm Registration No. 001076N/ N500013), as the Auditors of the Company pursuant to Section 139 of the Companies Act 2013 and the rules made thereunder, by the shareholders in the previous Annual General Meeting held on September 9, 2014, to hold office until the conclusion of the 27th (twenty seventh) Annual General Meeting of the Company, be and is hereby ratified and the Board of

Directors of the Company be and is hereby authorised to fix the remuneration payable to them for the financial year ending March 31, 2016 as may be recommended by the Audit committee in consultation with the Auditors, and that such remuneration may be paid on a progressive billing basis as may be agreed upon.

SPECIAL BUSINESS

Item No. 5

Appointment of Director, Mr. Amit Gupta

To consider, and if thought fit, to pass the following resolution as an ordinary resolution:

“RESOLVED THAT pursuant to Section 149, 152 and other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014, Mr. Amit Gupta (DIN 06845850), who was appointed as an Additional Director by the Board of Directors effective September 12, 2014 pursuant to the provisions of Section 161 of the Companies Act, 2013 and Article 114 of Articles of Association of the Company and who holds office up to the date of this Annual General Meeting and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of a Director, be and is hereby appointed as a Director of the Company liable to retire by rotation.”

By Order of the Board of Directors

For AXISCADES Engineering Technologies Limited

-sd-

Shweta Agrawal
Company Secretary

Place : New Delhi

Date : August 12, 2015

Registered office
A-264, 2nd Floor, Defence Colony,
New Delhi-110024
CIN: L72200DL1990PLC041275
e-mail : info@axiscades.com

Note: Additional information of Directors recommended for appointment / reappointment is annexed.



NOTES:

1. A statement pursuant to Section 102(1) of the Companies Act 2013 in respect of the special business to be transacted at the meeting is annexed.

2. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.

3. A person can act as proxy on behalf of members not exceeding fifty (50) in number and holding in the aggregate not more than 10% of the total share capital of the company carrying voting rights. However, a member holding more than 10% of the total share capital of the company carrying voting rights may appoint a single person as proxy and such person shall not act as proxy for any other person or shareholder.

4. The instrument appointing the proxy duly completed should be deposited at the registered office of the company not less than forty eight hours before the commencement of the meeting.

5. Corporate members intending to send their authorised representatives to attend the meeting are requested to send a certified copy of the Board Resolution authorizing their representative to attend and vote on their behalf at the meeting.

6. A member shall be entitled, during the period beginning 24 hours before the time fixed for the commencement of the meeting and ending with the conclusion of the meeting, to inspect the proxies lodged at any time during the business hours of the Company, provided that not less than 'three days' of notice in writing is given to the Company.

7. All the documents referred to in the accompanying notice are open for inspection at the Registered office of the Company on all working days between 11.00 to 1.00 p.m. upto the date of AGM. The Register of Directors and Key Managerial Personnel and their Shareholding and the Register of Contracts and Arrangements in which Directors are interested shall be open for inspection at the meeting to any person having right to attend the meeting.

8. The register of Members and Share transfer books will remain closed from August 28, 2015 to September 7, 2015 (both days inclusive).

9. For the convenience of the members, an attendance slip is annexed. Members are requested to affix their

signatures at the space provided and fill the particulars and hand over the attendance slip at the Registration Counter at the venue of the Meeting.

10. Members, who hold the shares in physical form, are requested to provide their e-mail id, in case the same has not been provided earlier and notify change, if any, in their address/e-mail id/ECS mandate/ bank details to the Registrar & Transfer Agent (RTA of the Company Karvy Computershare Private Limited. Karvy Selenium Tower B, Plot 31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad – 500 032, for the purpose of receiving communication electronically and the members who hold their shares in demat form are requested to do the same through their depository participant.

11. The Securities and Exchange Board of India has notified that the shareholders/ transferee of shares (including joint holders) holding shares in physical form are required to furnish a certified copy of their Income Tax Permanent Account Number (PAN) card to the Company / RTA while transacting in the securities market including transfer, transmission or any other corporate action. Accordingly, all the shareholders/ transferees of shares (including joint holders) in physical form are requested to furnish a certified copy of their PAN Card to the company/ RTA while transacting in the securities market including transfer, transmission or any other corporate action.

12. A copy of the Annual Report along with the Notice of the 25th Annual General Meeting, stating the process and a manner of e-voting at the AGM, Attendance slip and Proxy form are sent by electronic mode to all those members whose email address are registered with the Company/ Depository Participant(s) unless a member has requested for a hard copy of the same. In respect of members who have not registered their email address physical copies of the Annual Report are sent by the permitted mode.

13. The Annual Report along with the Notice of the 25th Annual General Meeting and other attachments will also be available on the Company's website at www.axiscades.com for download by the members. The physical copies of the aforesaid documents will also be available at the Company's Registered Office for inspection during business hours on working days.

14. Information and other instructions relating to e-voting are as follows:

i. In compliance with Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration), Rules 2014 (as substituted by Amendment Rules 2015) and Clause 35B of Listing



Agreement, the Company has provided a facility to the members to exercise their votes electronically through the electronic voting service facility arranged by Karvy Computershare Private Limited (“Karvy”). The facility for voting through Poll will be made available at the meeting and the members attending the meeting who have not cast their votes by remote e-voting shall be able to cast their votes at the meeting through physical Poll.

ii. The members who have voted through remote e-voting may attend the AGM but shall not be entitled to cast their votes again.

iii. The Company has engaged the services of Karvy Computershare Private Limited (“Karvy”) as the Agency to provide e-voting facility.

iv. Voting rights shall be reckoned on the paid up value of equity shares registered in the name of the member/beneficial owner as on September 1, 2015, being the cut off date.

v. A person, whose name is appearing in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date i. e. September 1 2015, shall only be entitled to avail the facility of remote e-voting/ poll.

vi. Any person who becomes a member of the Company after dispatch of the Notice of the Meeting and holding shares as on the cutoff date may write to Karvy on their e mail ID evoting@karvy.com, or Karvy Computershare Private Limited (Unit:AXISCADES Engineering Technologies Limited) Karvy Selenium Tower B, Plot 31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad – 500 032 or contact Mr. Srikrishna P on phone/mobile No 040-67162222 / 9212993399 requesting for User ID and password. After receipt of above credentials, a member may follow the instructions for e-voting to cast his votes. If the member is already registered with Karvy e-voting platform then he can use his existing User ID and password for casting his votes through remote e-voting.

Instructions for e-voting

i) Members are requested to carefully read the instructions for e-voting before casting their vote.

ii) The remote e-voting facility will be open only during the following voting period:

Commencement of remote e-voting	09:00 a.m. (IST) on, September 3, 2015
End of remote e-voting	05:00 p.m. (IST) on September 6 2015

The remote e-voting will not be allowed beyond the aforesaid date and time and the e-voting module shall be disabled by Karvy on expiry of remote e-voting period.

iii. The procedure for remote e-voting is as under:

a) Open your web browser during the voting period by typing the URL: <https://evoting.karvy.com>

b) Enter the login credentials (i.e. User ID and password mentioned -in the email forwarding the Notice of AGM, or on the Notice of AGM, in case email id is not registered and physical copy of the Annual Report is being received by you). Your Folio No./DP ID Client ID will be your User ID. However, if you hold shares in demat form and you are already registered with Karvy for e-voting, you may use your existing User ID and password for casting your vote.

c) After entering these details appropriately, click on “LOGIN”.

d) You will now reach password change Menu wherein you are required to mandatorily change your password. The new password shall comprise of minimum 8 characters with at least one upper case (A-Z), one lower case (a-z), one numeric (0-9) and a special character (@,#,\$,etc.). The system will prompt you to change your password and update your contact details like mobile number, email ID, etc. on first login. You will also be required to enter a secret question and answer of your choice to enable you to retrieve your password in case you forget it. It is strongly recommended that you do not share your password with any other person and that you take utmost care to keep your password confidential.

e) You need to login again with the new credentials.

f) On successful login, the system will prompt you to select the Event Number for AXISCADES Engineering Technologies Limited, as mentioned in the email forwarding the Notice of AGM along with Annual Report of the company, in case members receiving the documents in electronic form and in the enclosed “Electronic Voting Particulars”, in case of a members receiving the documents in physical mode.

g) On the voting page you will see the Resolution Description and the options “FOR/AGAINST/ABSTAIN” for voting. Enter the number of shares (which represents the number of votes) as on the cut-off date under “FOR/AGAINST” or alternatively, you may partially enter any number in “FOR” and partially in “AGAINST” but the total number in “FOR/ AGAINST” taken together should not exceed your total shareholding as on the cut-off date, as mentioned above. You may also choose the option “ABSTAIN” in case you do



not want to cast vote.

h) You may then cast your vote by selecting an appropriate option and click on "Submit".

i) A confirmation box will be displayed. Click "OK" to confirm else "CANCEL" to modify. Once you confirm, you will not be allowed to modify your vote. During the voting period, Members can login any number of times till they have voted on the Resolution(s).

j) Members holding multiple folios / demat accounts shall choose the voting process separately for each of the folios / demat accounts.

k) Corporate / Institutional Members (i.e. other than Individuals, HUF, NRI, etc.) are also required to send scanned certified true copy (PDF Format) of the relevant Board Resolution/Power of Attorney/Authority Letter, etc., together with attested specimen signature(s) of the duly authorized representative(s) who are authorized to vote, to the Scrutinizer at e-mail ID: khamankar@gmail.com with a copy marked to evoting@karvy.com. The scanned image of the above mentioned documents should be in the naming format "axiscades_EVSN Number."

l) Once the vote on a resolution is cast by a member, the Member shall not be allowed to modify it subsequently.

m) In case of any queries, you may refer the 'Frequently Asked Questions (FAQs) for shareholders' and 'e-voting user manual for shareholders', available at the download section of <https://evoting.karvy.com> or contact Karvy Computershare Private Limited at 1800 345 4001 (toll free).

15. The Board of Directors of the Company have appointed Mr. Anant Khamankar (Membership No. 3198) a Practising Company Secretary, a Proprietor of M/s Anant B Khamankar & Co., Company Secretaries, Mumbai as the Scrutinizer, for conducting both remote e-voting and Poll voting process in a fair and transparent manner and he has communicated his willingness to be appointed and will be available for the purpose.

16. The Scrutinizer, after scrutinizing the votes cast at the meeting by Poll and remote e-voting, will not later than three days of conclusion of the Meeting, make a consolidated Scrutinizer's Report and submit the same to the Chairman.

The results declared along with the consolidated Scrutinizer's Report shall be placed on the website of the Company www.axiscades.com and on the website of Karvy <https://evoting.karvy.com>. The results

shall simultaneously be communicated to the Stock Exchanges.

17. Subject to the receipt of requisite number of votes, the Resolutions shall be deemed to have been passed on the date of the Meeting i.e. September 7, 2015.

18. Pursuant to the provisions of Companies Act 2013, w. e. f. July 1, 2015 the companies are prohibited to distribute any gifts, gift coupons, or cash in lieu of gifts to members at or in connection with any general meeting, and accordingly no gifts shall be distributed to the members at the meeting.

STATEMENT PURSUANT TO SECTION 102 (1) OF THE COMPANIES ACT, 2013

Item No. 5

Mr. Amit Gupta was appointed as an Additional Director of the Company by the Board of Directors effective September 12, 2014 pursuant to Section 161 of the Companies Act, 2013, read with Article 114 of the Articles of Association of the Company.

In terms of the provisions of Section 161 of the Companies Act, 2013, Amit Gupta will hold office up to the date of the ensuing Annual General Meeting. The Company has received a notice in writing from a member along with the deposit of Rs 1,00,000/- under Section 160 of the Act proposing the candidature of Amit Gupta for the office of Director of the Company.

The Company has received from Amit Gupta (i) consent in writing to act as director in Form DIR-2 pursuant to Rule 8 of Companies (Appointment & Qualification of Directors) Rules 2014, (ii) intimation in Form DIR-8 in terms of Companies (Appointment & Qualification of Directors) Rules, 2014, to the effect that he is not disqualified under sub-section (2) of Section 164 of the Companies Act, 2013. The Board considers his appointment as a director of the Company will be beneficial and is in the interest of the Company. The Board recommends the resolution for approval of the members.

No director, key managerial personnel or their relatives, except Amit Gupta to whom the resolution relates, is interested or concerned in the resolution.

By Order of the Board of Directors
For AXISCADES Engineering Technologies Limited
-sd-

Shweta Agrawal
Company Secretary
Date : August 12, 2015
Place : Bengaluru



Additional information on Directors recommended for appointment / re-appointment as required under Clause 49 of the Listing Agreement



Mr. Amit Gupta

Amit Gupta, a qualified Chartered Accountant, CPA from Denver, Colorado and an Executive MBA from Wharton Business School, has wide experience in the field of finance, Transaction advisory, M&A and Business Development functions. His financial expertise includes financial and business strategy, mergers and acquisitions, setting up the controllership and finance functions, and leading organic and inorganic growth for a business.

Companies (other than AXISCADES Engineering Technologies limited) in which Mr. Amit Gupta holds Directorship and Committee Membership

Directorship: NIL

Chairperson/Member of Board Committees: NIL

Shareholding in the Company:

Mr. Amit Gupta does not hold any equity share of the Company.



Mr. Rohitasava Chand

Mr. Chand holds B. Tech from IIT, Delhi and MBA from KATZ, University of Pittsburgh, USA. Has wide experience in the IT Industry. He has been awarded the IIT-Delhi Alumni Award for out-standing contribution to National Development.

Companies (other than AXISCADES Engineering Technologies limited) in which Mr. Rohitasava Chand holds Directorship and Committee Membership

Directorship: Khandwala Securities Limited

Chairperson of Board Committees: NIL

Member of Board Committees:

Khandwala Securities Limited- Stakeholders Relationship Committee

Shareholding in the Company:

Mr. Rohitasava Chand does not hold any equity share of the Company.



Mr. Valmeekanathan S.

Valmeekanathan holds BE (Hons) in Mechanical Engineering from BITS Pilani, has wide senior leadership experience in engineering services industry, in Aerospace, Defense and Marine sectors.

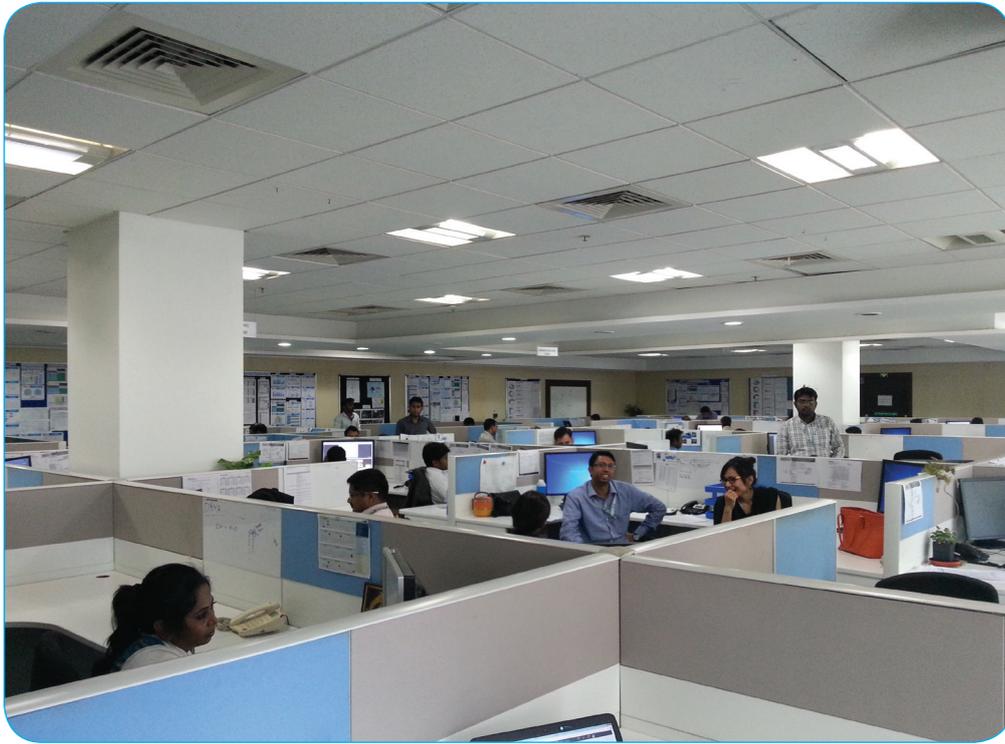
Companies (other than AXISCADES Engineering Technologies limited) in which Mr. S Valmeekanathan holds Directorship and Committee Membership

Directorship: Cades Studec Technologies (India) Private Limited

Chairperson/Member of Board Committees: NIL

Shareholding in the Company:

Mr. S Valmeekanathan does not hold any equity share of the Company.



State-of-the-art Development Centre in Bengaluru



Inauguration of Development Centre in Ulsoor, Bengaluru



Registered Office:

AXISCADES Engineering Technologies Limited

(formerly Axis-IT&T Limited)

CIN: L72200DL1990PLC041275

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

Tel.: +91 120 451 8200, Fax: +91 120 244 2921

Website: www.axiscades.com