

September 30, 2016

The Manager  
Listing Department  
BSE Limited  
Phirozee Jeejeebhoy Tower, Dalal Street  
Mumbai 400 001  
BSE Scrip Code: 532395

Listing Department  
The National Stock Exchange of India Limited  
Exchange Plaza, 5 Floor, Plot C/1, G Block  
Bandra – Kurla Complex, Bandra(E),  
Mumbai 400 051  
NSE Symbol: AXISCADES

Dear Sir(s),

Sub: Annual Report for the Financial year 2015-2016.

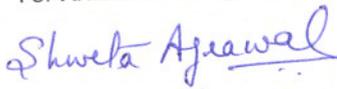
Pursuant to Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we are submitting herewith the Annual Report for the FY 2015-2016 duly approved and adopted by the members in the Annual General Meeting of the Company, held on 26<sup>th</sup> September 2016.

This is for your information and records.

Thanking You.

Yours Sincerely

For AXISCADES Engineering Technologies Limited



Shweta Agrawal

Company Secretary

Encl. A/a

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

CIN No.: L72200KA1990PLC084435

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**AXISCADES**

Inspired Solutions. By Design

INDUSTRIAL PRODUCTS



AUTOMOTIVE



DEFENCE



HEAVY ENGINEERING



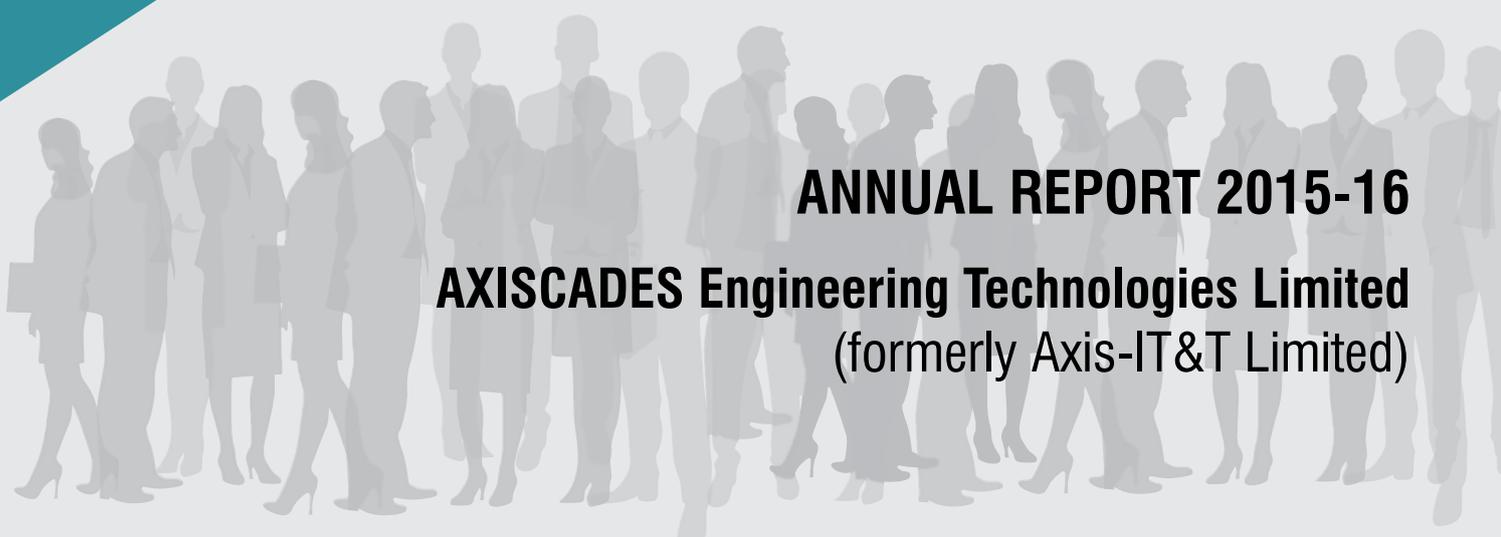
AEROSPACE



***GOING  
STRONG***

**ANNUAL REPORT 2015-16**

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





*Strength  
in unity*

Link for downloading the report  
[www.axiscades.com/investor-relation.html](http://www.axiscades.com/investor-relation.html)

Technology is evolving at an incredibly rapid pace and the expertise offered by Indian companies has got the world's attention. With this backdrop, the unified brand AXISCADES, the result of the coming together of Axis-IT&T and CADES, has the vision of becoming a globally admired provider of innovative engineering solutions in a complex, futuristic world.

AXISCADES is present in aerospace, heavy engineering, defence, automotive, and industrial products. Our knowhow is valued by several of the biggest players in these industries, and our mission is to grow our business by fulfilling India's potential. We aim to capture a greater share of the global engineering research and development market, one of the fastest growing offshoring businesses.

#### **NOTICE OF 26<sup>th</sup> ANNUAL GENERAL MEETING**

Day & Date: Monday, September 26, 2016

Venue: Sathya Sai Samskruta Sadanam,  
No. 20, Hosur Road,  
Bengaluru- 560 029, Karnataka

Time: 11.00 a.m. IST

Proxy form and Attendance slip are  
despatched along with the Annual Report

Route map is at the end of this Report

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# Board of Directors



## Front Row ( From L to R )

- |   |   |  |   |
|---|---|--|---|
| 1. Mr. Valmeekanathan S.<br>Chief Executive Officer &<br>Director | 2. Dr. Vivek Mansingh<br>Independent Director Chairman<br>of the Company & CSR<br>Committee | 3. Mr. Sudhakar Gande Vice<br>Chairman &<br>Executive Director | 4. Mr. Kailash M. Rustagi<br>Independent Director Chairman<br>Audit Committee |
| 5. Mrs. Vimmi M Trehan Inde-<br>pendent Director                  | 6. Mr. Kedarnath Choudhury<br>Non-Executive Director  |  |   |

## 2nd Row ( From L to R )

- |   |   |   |   |
|---|---|---|---|
| 1. Mr. Amit Gupta<br>Non-Executive Director | 2. Mr. Srinath Batni<br>Independent Director<br>Chairman Nomination & Remu-<br>neration Committee | 3. Mr. Rohitasava Chand<br>Non-Executive Director | 4. Mr. Pradeep Dadlani<br>Independent Director Chairman<br>Stakeholders Relationship<br>Committee |
|---|---|---|---|

## Key Management Personnel



Mr. Sudhakar Gande  
*Vice Chairman &  
Executive Director*



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  
Block C, Second Floor,  
Kirloskar Business Park,  
Bengaluru - 560 024, India

### BANKERS

Yes Bank Ltd.  
Prestige Obelisk,  
Kasturba Road,  
Bengaluru - 560 001, India

### AUDITORS

Walker Chandiok & Co LLP  
(Formerly Walker Chandiok & Co)  
5 Floor, No. 65/2, Bagmane Tridib, Block "A",  
Bagmane Tech Park, C V Raman Nagar,  
Bengaluru 560 093, India

# Chairman's message



**Dr. Vivek Mansingh**  
Chairman

## **Dear Stakeholders,**

As I reflect on the year gone by, i.e. FY 2015-16, it gives me pleasure to report that we have made good progress in our transformation journey. This included diversification of our offerings across new sectors, strengthening of internal systems and processes, enhanced focus on innovation and on our value proposition, and giving a push to organic growth through investments in sales and marketing. Further, the acquisition of AXISCADES Aerospace & Technologies is moving in the right direction. We expect to receive the approval in Q2FY17. The acquisition will align all our interests and unlock greater value for shareholders.

## **FINANCIAL PERFORMANCE**

The revenue from operations on a consolidated basis increased from ₹ 3,175 million to ₹ 3,754 million, a growth of 18% over FY15. EBITDA margin increased by 150bps to 14.7% over FY15, mainly contributed by expansion in gross margin. The other positive has been improvements in PAT and EPS. PAT is at

₹ 286 million, up 47% from FY15, and EPS is at ₹ 10.51, which has improved by 36.7% over FY15. The increase in EBITDA margin demonstrates our success in improving business mix, operational efficiency and the proportion of our offshore business.

## **ENHANCING INVESTMENTS**

We are making significant investments to enter into new areas of work. An important aspect of this is developing an ecosystem of niche competencies, wherein we are servicing our existing customers with new offerings. In the long run, the benefits from this engagement model - initially, enhancing revenue from these new services provided and, subsequently, acquiring new competencies and entering new areas of specialisation - will drive long-term value. Moreover, as this model becomes more evolved, the costs will continue to reduce as we internalise the competency and deepen our relations with our customers.

In line with our commitment to outpacing the industry growth, we continue to push organic growth through investments in sales and marketing. We have hired a Global Head of Sales based out of the US, putting a special emphasis on serving the US aerospace market, and a Director of Business Development and Strategy based out of Paris. With considerable years of experience in their respective fields, they will be looking at putting in place the right systems and processes to drive higher growth. Apart from this, we continue to reinforce our human resources through effective recruitment. Our focus on strengthening our team has proved valuable as we have secured 19 new customers during FY 2015-16.

The Company has consistently been able to win projects offshored by both original equipment manufacturers for aerospace, heavy engineering and automotive industries, and by defence manufacturers looking to fulfil their offset obligations. We hope to expand our presence in the defence sector, going from being a trusted offset partner to a direct bidder for Indian Air Force contracts through AXISCADES Aerospace & Technologies Private Limited. The Government of India is, at the moment, one of the biggest buyers of defence equipment in the world. Under the 'Make in India' initiative, the country will very likely move towards developing its indigenous defence manufacturing capabilities. That is promising for AXISCADES, a company that has already crossed the entry barrier for a highly regulated sector like aerospace and made a name for itself there. That reputation will bolster our efforts to enter other highly regulated sectors.

## **DIVERSIFYING VERTICALS**

I believe FY 2015-16 was a seminal year for our strategy of diversifying verticals. During the year, we signed a contract to set up a dedicated offshore development centre to provide design and engineering

*“ We are committed to innovating and remaining on the path of relevance to our customers.”*

services to a leading manufacturer of wind turbines. This strategic contract will give AXISCADES a great opportunity to further solidify its position in the renewable energy sector, among the sunrise industries across the world.

The Company has also set up a dedicated centre of excellence for a major helicopter OEM, which has the potential to grow into a multi-million dollar account. This is the first time this OEM is moving work out of Europe.

The Company is also looking at opportunities in other fast-growing areas where our strong points - excellent track record in a highly regulated sector like aerospace; and world-class engineering design capabilities for high-technology industries - would stand us in good stead.

### STRATEGIC ACTIONS

Most of our partners are global OEMs or marquee clients with major outsourcing budgets. Through innovation, we are continually focussing on expanding our service offerings and driving higher outsourcing business from them.

In the aerospace and defence sector, by effectively serving customer needs, we create the opportunity of a long-term business relationship through multi-year contracts. Moreover, our success in serving our existing customers opens up opportunities for securing orders from new customers from the same or different verticals.

During the year under review, our strategic efforts in reinforcing customer relationships paid us rich dividends. Our achievement draws further merit as we retained Preferred Engineering Supplier status with European Aerospace global OEM, reaffirming that we are doing the right things and providing engineering services par excellence.

### BOARD COMPOSITION

I am pleased to announce that Mr. Sudhakar Gande, who has extensive experience in venture development, investment banking and general management across aerospace technology and banking sectors, has joined the Board as Vice-Chairman & Executive Director. His presence

on the Board will provide the necessary thrust and impetus in the transformation of the Company and in driving future prospects.

### MARKET OPPORTUNITY

While our order book is progressing in the right direction and we are expanding our offerings to new customers across diverse verticals, I believe this is only the tip of the iceberg as far as market opportunities in engineering services are concerned. Aerospace itself holds great promise for our Company. In the 'Point of View' report published by NASSCOM in December 2015, it is estimated that by the year 2020, offshored engineering research and development (ER&D) for the aerospace sector will be US\$ 4.5-5 billion, with India's share in global offshore (aerospace) market expected to grow to 40-50 per cent.

As per this report, the global ER&D spend is set to touch US\$ 1.7 trillion by 2020, up from US\$ 1.4 trillion in FY13. India's ER&D industry has been seeing double-digit growth in the recent past, and by 2020, it is expected to reach exports of US\$ 30-38 billion. With Asia becoming an attractive offshore destination due to its cost and talent pool advantage, India is expected to further strengthen its position in the global sourcing arena.

### FINAL THOUGHTS

The engineering design services opportunities are enormous. Our business strengths of a talented workforce, the enduring nature of customer relationships, and our global platform will serve us well in the years ahead, enabling us to create higher value. We are committed to innovating and remaining on the path of relevance to our customers. On behalf of the Board, I would like to thank the entire team of AXISCADES for the dedication and professionalism that they have demonstrated throughout another successful year. I would also like to express my gratitude to our shareholders, partners, vendors, customers and creditors for their continued support. You can be assured that we shall work diligently to take this Company to greater heights.

**Dr. Vivek Mansingh**  
Chairman

# The World of **AXISCADES**

The unified brand of AXISCADES has reinforced its core areas of operation, while exploring diversification opportunities in a world of extremely quick and complex technological changes. We are well positioned to benefit from the attention being given to Make in India initiative, offset regulations and, at the same time, from offshoring by major international manufacturers in all the sectors where we are active.

The unified brand was formed in FY14 through the merger of Axis-IT&T with Cades, companies with complementary strengths – the former provided engineering services to the heavy industries segment; the latter provided engineering services to the aerospace and automotive sectors. At present, the brand represents two companies, AXISCADES Engineering Technologies Ltd and AXISCADES Aerospace & Technologies Private Ltd. The businesses we cater to are in aerospace, automotive, defence, heavy engineering, and industrial products.

## **AEROSPACE**

We are a strategic partner to original equipment manufacturers and Tier 1 suppliers, who seek cost-efficient solutions combined with the highest level of expertise and deep domain knowledge. Our partnership is based on the need to control development costs, quick technology adoption, risk mitigation and fulfilling offset obligations. AXISCADES has global reach and is able to offer solutions from concept generation to manufacturing support and certification. We provide integrated solutions for system and sub-systems of aerospace engineering, including aircraft interiors, technical publication, reports on non-fulfilment of specific requirements and avionics.

## **AUTOMOTIVE**

We work with our partners in this sector to meet the challenges of ever greater safety and emission norms, the need to offer increasingly better specifications at highly competitive prices, and the urgency of cost reductions to deal with the current unpredictable nature of the global economy. Collaboration between original equipment manufacturers and suppliers for better product, technology, process and business innovations is imperative. Our competencies and domain expertise allow us to provide value across the entire product life cycle. And our portfolio has several developmental and turnkey (art to part) projects for global and Indian automotive OEMs.

## **DEFENCE**

The challenge for the defence industry is constant technological innovation to deal with new and mounting threats to homeland security while keeping costs extremely competitive. We are a well-established offset partner for the Indian government, and are able to draw upon the experience of the armed forces to provide engineering solutions for air, ground and marine systems. Our services in the defence industry includes

end-to-end solution in the electronics domain, software and simulation, product development, test solutions, obsolescence management and system integration. This makes us a preferred Indian offset partner to global OEM's. We are certified for defence manufacturing in India.

## **HEAVY ENGINEERING**

This is an area where we service two types of markets: growing economies with heavy engineering requirements, and developed economies that want to attain greater cost efficiency through offshoring. The main market needs at the moment are product innovation, product localisation, reduced emission, and a shorter design cycle. We have over two decades of expertise in new product development, product improvement and product sustenance. Our domain expertise is in construction, agricultural, mining, material handling equipment; this has given us deep insight into the major challenges of the industry and ways to address them.

## **INDUSTRIAL PRODUCTS**

We have a comprehensive portfolio of engineering solutions for original equipment manufacturers and Tier 1 suppliers. These businesses need a partner to help them with the adoption of new technologies, feature addition, modular approach, shorter development windows, and product localisation. Our presence across industries enables us to offer solutions that are completely customer-centric, and as with all other industries that we service, here, too, we can meet our partners' entire product life cycle development needs. In this space, we have worked with businesses in energy and utilities, appliances, and plant engineering. In the renewable energy sector, we provide cost-effective design solutions and have set up a dedicated offshore development centre for a global market leader in the manufacturing of components such as wind turbines. This is a part of our long-term plan to grow in this sector.



## Performance highlights for 2015-16

Revenue from operations

Up

**₹ 375 crore**  
**18% year-on-year**

EBITDA

Up

**₹ 55.5 crore**  
**33% year-on-year**

PBT

Up

**₹ 44.7 crore**  
**55% year-on-year**

PAT (after minority interest)

Up

**₹ 28.6 crore**  
**47% year-on-year**

EPS

Up

**₹ 10.51 per share**  
**37% year-on-year**

### High points of 2015-16

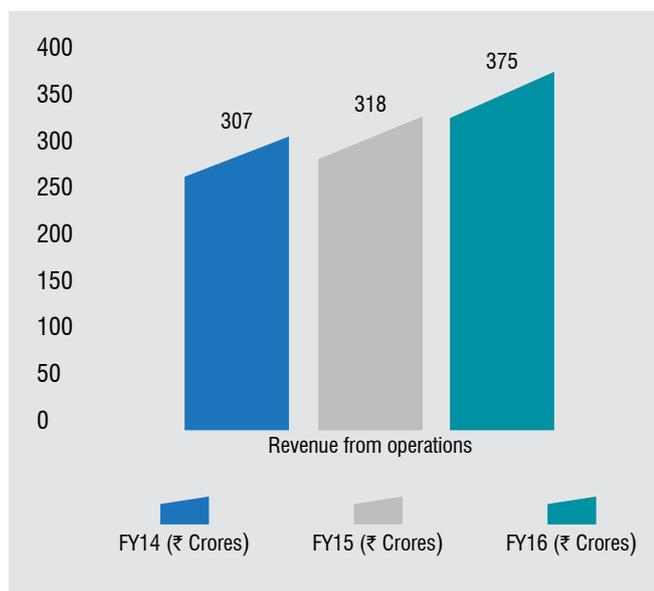
- Announced acquisition of AXISCADES Aerospace and Technologies Private Limited (ACATPL) through merger of its holding company. ACATPL provides strategic technologies to aerospace, defence and homeland securities. Approval of the High Court is awaited.
- Renewal of 'Preferred Engineering Supplier' status with European aerospace global OEM.
- Inaugurated new engineering offshore development centre for Siemens Wind Power, in Hyderabad.
- Addition of 19 new clients in FY16.
- Strengthened sales presence in North America and Europe and at key accounts.
- Set up practice team to create innovative solutions for OEMs.

Year-on-year growth in  
major AXISCADES verticals

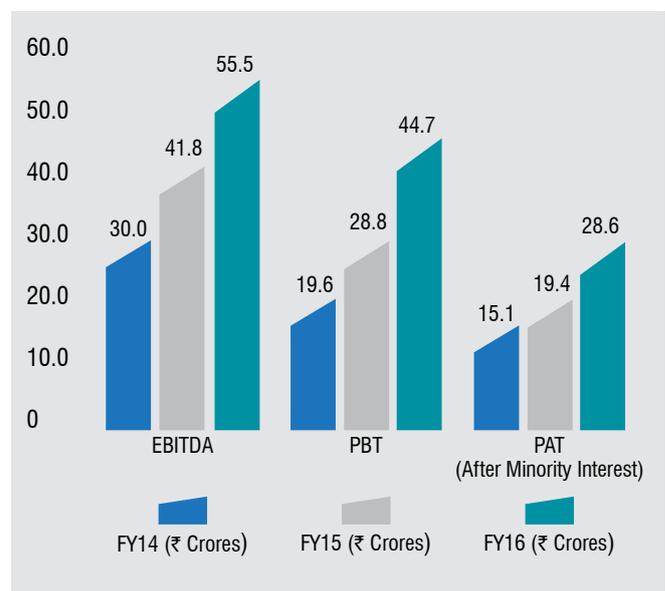
**16%**  
Aerospace

**9%**  
Heavy engineering

Three-year figures on total revenue



Three-year figures on margins



# Engineering research and development overview

**\$680 billion**

ER&D spend by global top 1000 corporations in FY15

**32%**

India's future share of the global offshore ER&D market

**28%**

India's market share in the global ER&D outsourcing market, making it the second largest player

**\$35 billion**

Estimated future market size of Indian ER&D players such as AXISCADES

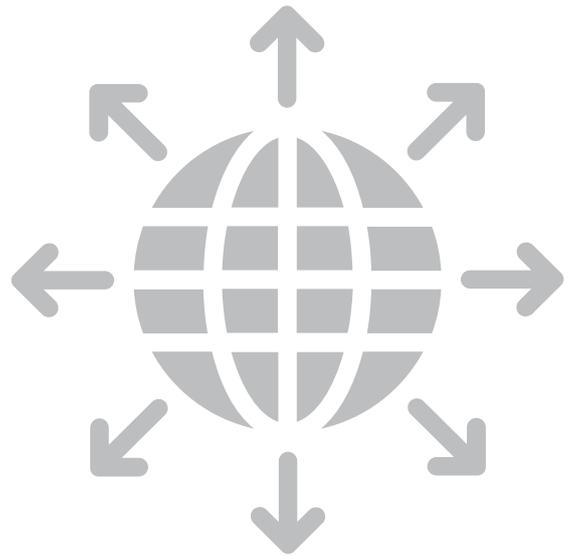
**\$110 billion**

Offshore ER&D market globally by FY20

**\$17 billion**

Estimated present market size of Indian ER&D companies

Source: Nasscom Report-Strategic review 2016 and Global ER&D 2015



## Outlook

Some of our verticals have shown substantial growth; some others less so. Overall, AXISCADES is growing faster than the whole ER&D market, and is expanding its market share. With stress on 'Make in India', the rising trend of offshoring, and our successful foray into the highly promising renewable energy sector, the AXISCADES market share has much scope for further improvement.

## Factors in favour of growth in the Indian ER&D market

Increased offshore manufacturing

- ▶ Offset obligations in defence
- ▶ Large Indian talent pool
- ▶ Lower overhead costs
- ▶ Localisation of products
- ▶ Proximity to end customer

# Company strategy

## THE AXISCADES GROWTH STRATEGY PILLARS

- Address the Engineering needs of existing customer through expansion of engagement into related scope from Design, Analysis to Manufacturing Engineering support activities across verticals.
- Strengthen customer engagement through innovative business models, partnership approach, value addition through matured process implementation and providing non-linear growth.
- Be a strategic partner to the India Defence Programme by extending successful engagements and being involved in the global supply chain of OEMs into new domains.

## FIVE INDUSTRY TRENDS THAT WORK FOR AXISCADES

- Driven by the increasing programme cost and lack of skilled resources, the global OEM's are increasingly moving towards offshore partnerships.
- Product localisation for the developing markets and reverse innovation are pushing the R&D spends towards emerging markets like India.
- Indian Defence spend and Offset obligations are creating huge opportunities in aerospace and defence product design and development activities.
- As consumer demand for innovation and new products increases, niche Engineering service providers with deep domain expertise are preferred partner of choice to global OEM's.
- Increase spend in aftermarket support and life extension for technology intensive products. (Particularly in aerospace sector).

## AREAS THAT PRESENT FUTURE GROWTH OPPORTUNITIES

- Increasing the activity in the automotive sector, by focussing more on the major automobile manufacturing hubs in Europe.
- Exploring more wide-ranging partnerships in the industrial products category, especially for medical devices and high technology.

### THE USP OF AXISCADES

There are significant entry barriers to any highly regulated industry in the world. AXISCADES has already proved its mettle by establishing itself in the aerospace industry, one of the most regulated, which gives it a great degree of credibility in any other industry. The next logical step is to explore the medical devices industry, also very tightly regulated and one of the fastest growing areas within the engineering services space.



*Strategising for success*

# Siemens Wind Power



➤ (third from left) His excellency The Governor of Tamil Nadu - **Dr. K Rosaiah** inaugurating the Siemens ODC at AXISCADES Hyderabad facility on 24 Sept 2015

➤ (fourth from left) **Sudhakar Gande**, Vice Chairman - AXISCADES Engineering Technologies Limited

➤ **Mr. Steen Kirkegaard Jensen**, Head of Mechanical Design – Siemens Wind Power

➤ **S. Valmeekanathan**, CEO – AXISCADES Engineering Technologies Limited

➤ His excellency The Governor of Tamil Nadu - **Dr. K Rosaiah**

➤ **Sudhakar Gande**, Vice Chairman - AXISCADES Engineering Technologies Limited



# *Management Discussion and Analysis*

# Management Discussion and Analysis

## COMPANY OVERVIEW

AXISCADES Engineering Technologies Limited (henceforth referred to as 'AXISCADES' or 'the Company') is India's leading integrated engineering services provider with strong domain, process and delivery capabilities in providing mechanical, electrical, electronics and manufacturing engineering services. The Company caters to the futuristic needs of Aerospace, Defence, Heavy Engineering, Automotive and Industrial Production sectors.

With nearly three decades of experience and unparalleled expertise, AXISCADES is fast emerging as the preferred partner to global OEMs across the world by offering them cutting-edge technology solutions, catering to their business requirements, at every stage of Engineering Product Life-Cycle Development. The Company's deep understanding of the global engineering landscape also puts it in a very strong position to diversify into new Engineering domains and geographies.

The Company is at the forefront of technology innovation. This inherent spirit of challenging the status quo and developing path breaking solutions makes its value proposition very powerful and attractive for customers.

## MARKET OVERVIEW & OPPORTUNITY

India's Engineering Services and Research & Development (ER&D) and product development is on a strong growth trajectory as evident from the double digit growth in the recent times. On an average, the segment, which is the fastest growing in the Indian Information Technology – Business Process Management (IT-BPM) industry, has recorded over 13% growth annually over the last five years. In FY16, the segment is expected to mirror the on-going trend by growing 12% over FY15, to reach ~US\$ 22 billion.

The export market of ER&D and product development contributes the lion's share to the growth and volume of this segment. For FY16, exports are expected to cross US\$ 20 billion, an impressive growth of 12.6% over FY15. Also, ER&D and product development exports continued to surpass other segments of the Indian IT-BPM industry. Within the ER&D and product development export segment, the Outsourced Software Product Development (OSPD) segment accounts for ~9% share with a value of US \$1.8 billion. The OSPD segment relates to the outsourced development of the customers' product across all aspects of the product lifecycle. In today's fast changing technology landscape, OSPD firms are partnering their customers for greater efficiency, faster innovations and reduced product development time.

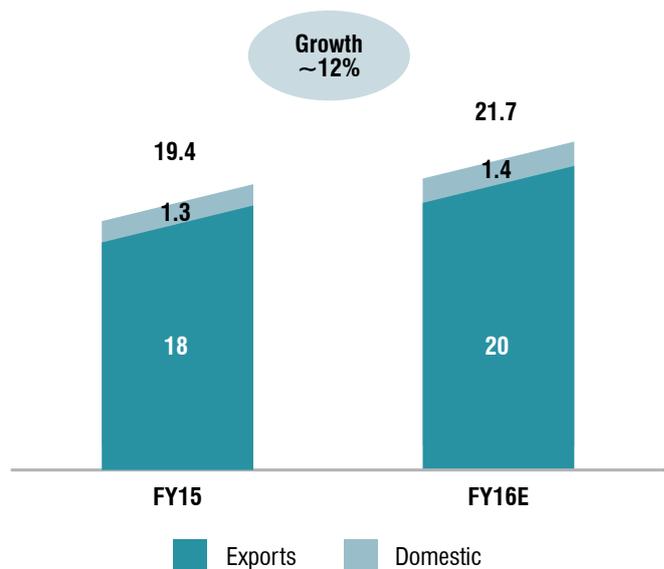
Source: Nasscom Report- Strategic review FY2016

Domestic ER&D spends by Indian firms are also increasing at a steady pace and are expected to reach over US\$ 14 billion in FY16. However, the domestic outsourcing market of ER&D and product development is

still very small and has a growth rate much below the segment average. In FY16, the domestic market is projected to grow at about 7% to be worth nearly US\$ 1.4 billion. Notwithstanding the current slow growth rate of domestic outsourcing, the future appears very promising with the government expected to be a major outsourcer, particularly for application of new technologies. Implementation of Make in India, 100 Smart Cities programme which includes smart buildings, smart energy, smart environment, smart transportation, etc. is also expected to boost domestic outsourcing.

## >US\$ 2 billion revenue additions

US\$ billion



Significant opportunities exist for players in the Indian ER&D and product development space with the segment projected to touch US\$ 35-40 billion by 2020. The attractiveness gets a further fillip with analysts estimating that by 2025 the segment will double in size and reach US\$ 70-90 billion. Growth in automotive and hi-tech sectors is expected to provide the boost to the ER&D and product development segment. Global In-house Centres (GIC) are also expected to be on the uptrend in India, providing an impetus to the segment.

## GLOBAL TRENDS

Global ER&D spend (among the top 1000 public corporations worldwide) in FY15 clocked US\$ 680 billion, an increase of little over 5% on Y-o-Y basis. This was the highest growth achieved in the last three years. Expenditure on ER&D is being driven by growing focus on Industry 4.0/Smart factories, smart cities, Internet of things (IOT)/connected

devices, etc. As a logical corollary, demand for embedded and software content across various verticals (automotive and consumer electronics accounting for ~27% of the global ER&D spend) is also increasing. Firms having their base of operations in the US, Europe and Japan accounted for 85% of ER&D spend.

In today's shrinking world, innovation and R&D, traditionally recognised as in-house functions for most firms, have crossed geographical barriers and are no longer restricted to the country from where a firm operates. In fact, 'Going Global' is the mantra and individual functions of product conceptualisation, designing, prototyping, manufacturing and marketing are increasingly being carried out on separate geographies from where the parent firm is located to maximise costs and minimise operational efficiency. Following this practice, the geographic footprint of R&D and innovation has also gone global. As per the 2015 Global Innovation 1000 study by strategy & an overwhelming 94% of the world's largest innovators now conduct either part of or their entire R&D programmes overseas.

In FY15, global sourcing of ER&D stood at US\$ 72 billion as against US\$ 67 billion in FY14. This translates to ~ 8% growth on Y-o-Y basis; interestingly, higher than the 5% growth witnessed in the global ER&D spend. With firms continually looking to lower costs due to constrained R&D budgets, ER&D investment is being shifted to countries where the cost advantage can be leveraged. Another important factor promoting global sourcing is that companies are increasingly focussing on countries where their sales and manufacturing are growing the fastest. These market trends are promoting the rise of Asia as the preferred ER&D location. In FY15, China topped the chart for the highest percentage increase in R&D spend - 31.6%. Currently, India, with a share of 56%, continues to be ranked No. 1 as a sourcing destination in the IT-BPM industry.

### INDIA AND GLOBAL ER&D

India is fast emerging as the preferred global destination for Engineering and Design for various vertical domains including the likes of Automotive, Aerospace, Hi-tech, Telecom, Semiconductors, etc. These ER&D companies, providing cutting-edge solutions, partner global customers for product development and design.

India, with its large engineering talent pool and low cost structure, provides a strategic advantage for setting up innovation and research centres. With a large, burgeoning end-user market, India is an attractive location for firms seeking to expand operations. With preferences of Indian consumers differing from that of Western counterparts, it becomes vital for these companies to set up their local R&D centres to cater to the local market. The country's ER&D capabilities are thus also being leveraged by global corporations to move closer to the domestic market.

Across sectors, there has been a steady mushrooming of innovation and research centres by global firms in India. These centres play a pivotal role in accelerating innovation and becoming service providers for their parent firm. India ER&D players have an opportunity to service them or set up similar centres for other players, establishing India as a design and innovation hub for global OEMs or Tier 1 players.

Source: Nasscom Report- Strategic review 2016

The high performance logged in by Indian ER&D industry is in large part a result of the rise in global ER&D spend, which despite a volatile economy, has been increasing year-on-year. Moreover, global sourcing is increasingly shifting to the East (Asia excluding Japan to account for one-fourth of total ER&D spend by 2020) due to their inherent advantages. Taking up the cue, Indian firms are also investing on infrastructure and expertise to develop indigenous capability for integration of design, prototype, testing, manufacturing, maintenance and services, thereby taking up responsibility for all aspects across the product cycle. Driven by these fundamentals, India is now an emerging epicentre of the global ER&D market with its share in the global ER&D offshoring market expected to increase to 30-32% by 2020 from 24-26% in FY 2013.

As ER&D shifts from mature to emerging markets, India's share in global offshore market for aerospace is also expected to witness substantial growth. By 2020, offshored ER&D market for aerospace sector is projected to be between US\$ 4.5-5 billion with India's share in global offshore (aerospace) market expected to grow to 40-50 percent. Indian service providers and GIC's are expected to share the outsourcing pie.

### BUSINESS PORTFOLIO

AXISCADES provides a vital link in building efficient product engineering solutions and increase spend effectiveness. The Company has close to 1,600 FTEs working on engineering solutions across the product lifecycle, starting from Product Design and Analysis, System Engineering, Manufacturing Engineering to Product Support.

During FY 2015-16, the Company operated primarily across four sectors – Aerospace, Heavy Engineering, Automotive and Industrial Products, and Renewable Energy. With a share of 51% in the revenue pie, Aerospace is the largest business driver, followed by Heavy Engineering (37%) and Automotive and Industrial Products (8%). Renewable energy, which is the most recent addition to the portfolio, is slowly climbing up the chart with a share of 4%.

### GLOBAL SOURCING OF ER&D

In FY15, global sourcing of ER&D stood at US\$ 72 billion as against US\$ 67 billion in FY14. This translates to ~8% growth on Y-o-Y basis; interestingly, higher than the 5% growth witnessed in the global ER&D spend. With firms continually looking to lower costs due to constrained R&D budgets, ER&D investment is being shifted to countries where the cost advantage can be leveraged.

In terms of geographical spread of revenues, Europe contributed the largest, accounting for 51% of revenues. This was followed by North America (35%) and Asia Pacific (14%). While most of the Aerospace revenues are generated from the European markets, the bulk of the Heavy Engineering revenues have their base in North America.

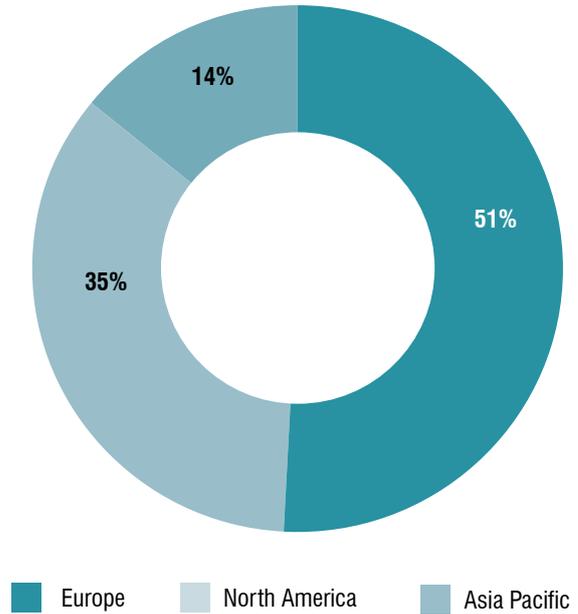
The Company's diverse range of portfolio, customers and markets puts it in a very strong position for growth and simultaneously, also ensures business resiliency in times of difficult economic conditions.

### AEROSPACE

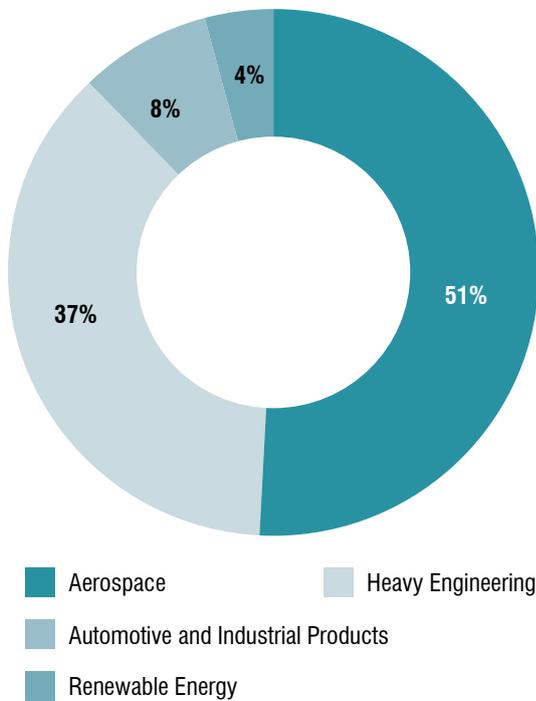
AXISCADES offers solutions at every stage of the product design and development lifecycle in the aerospace engineering value chain. The services range from concept generation phase to manufacturing support and certification, making it the preferred choice of engineering partner for Aerospace OEMs and Tier 1 suppliers.

The Company's deep domain expertise and extensive experience of over ten years has enabled it to form effective long-term strategic relationship with its customers. In fact, with 3 of the major global OEMs, the deeply entrenched nature of the relationship empowers AXISCADES engineers to use the OEMs' networks, access their PLM-PDM database and authorises it to do certification for some of the OEMs on behalf of their design community.

Revenue Graph as per geography



Revenue Graph as per sector-wise share



A trusted value partner, AXISCADES technical knowhow extends across commercial, business and military aircraft both in fixed wing and rotary aircraft segments. To promote its services, the Company is an active participant at global trade fairs such as Aero India and Farnborough Airshow.

### Key Highlights of the year

- During the year, AXISCADES announced the acquisition of AXISCADES Aerospace and Technologies Private Limited (ACATL) through a merger of its holding company. ACATL provides strategic technologies to Aerospace, Defence and Homeland Securities. Approval of the High Court is awaited.
- ACATL with its design, development and system integration capability, high pedigree clientele comprising global OEMs and the Ministry of Defence, India, brings an added dimension. This consolidation leads to vertical integration and through the joint financial strength, complementary capabilities and synergistic client base, AXISCADES will be well-placed to target a much wider set of opportunities, within the global supply chain as well as the Indian defence offset programme and the 'Make in India' initiative.
- In March 2016, ACATL won and signed a contract with Ministry of Defence, GOI for supply of 88 ARTS (Aircraft Recognition Training Systems) to the Army and Indian Air Force over 18 months and subsequent multiyear Annual Maintenance Contract.
- ACATL also entered into a partnership with French Company Vignal Artu Industries (VAI) for addressing the growing business opportunities in the Indian Defence & Aerospace sector in light of the 'Make in India' initiative of the Indian Government. VAI has deep domain experience of over 50 years in the aerospace industry and is a Tier 1 supplier to major French OEMs.

- The Company added three Tier 1 suppliers of Major US Aerospace OEM as clients during the year. As on 31 March, 2016, the Company has serviced over 23 customers including OEMs and Tier 1 suppliers.

### HEAVY ENGINEERING

AXISCADES has almost three decades of experience of working with major global OEMs in the Heavy Engineering segment, including the world's leading heavy engineering manufacturer. The accumulated wealth of knowledge and depth of expertise of its engineers enables AXISCADES to offer services 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. Product lines served include earthmoving equipment, construction equipment and machinery dealing with drilling, mining and tunnelling.

In today's fast changing world, the market is looking for product innovation, product localisation, emission reduction, and shorter lead time and design cycle. A highly skilled product development team ensures that AXISCADES' design and testing capabilities, using the latest technologies, set new benchmarks for excellence and offer these significant advantages to its customers who are OEMs and Tier 1 suppliers. The Company is working on major programmes helping customers co-create and manage spend effectiveness. The Company has serviced 29 customers in FY16 who are OEMs or Tier 1 suppliers.



*Participation in 9th edition of DefExpo India 2016 in Goa*

### AUTOMOTIVE AND INDUSTRIAL PRODUCTS

In the Automotive and Industrial engineering space, AXISCADES services address every phase in automotive design and development lifecycle. The solution offerings range from concept evaluation phase to the after start of production phase. The Company has successfully executed several developmental and turnkey (Art to Part) projects for global and Indian Automotive OEMs.

In the fiercely competitive automotive engineering space, AXISCADES maintains an edge over other industry players by being a pro-active partner to the higher value market segment. It does this by undertaking R&D for problem-solving and approaching customers with the solutions rather than just delivering regular engineering service. To enable this function, the Company has a strong eco-system in place, which includes educational institutes and R&D centres. The Company's strong capabilities in this segment was demonstrated when it reduced noise levels to acceptable standards for a small car plying on Indian roads by providing solutions to a Japanese OEM supplier.

With broad and in-depth knowledge across multiple verticals, the Company is able to deliver single source local solutions from benchmarking to concept to OEMs and suppliers that can lower their production costs, accelerate delivery of their products, and improve quality control. The Company has serviced 25 customers in FY16 who are OEMs or Tier 1 suppliers.

### RENEWABLE ENERGY

In line with the Company's strategy to diversify into newer industry verticals by leveraging its engineering excellence, AXISCADES has ventured into the Energy sector. With increasing awareness on the climate change effects caused due to conventional sources of energy, the focus on tapping renewable energy sources has intensified across the world. AXISCADES with its learnings from other verticals and global project management competencies is well-positioned to extend its value engineering skills into this new domain.

The Energy sector portfolio was reinforced during the year with the signing of contract with Siemens Wind Power for providing engineering services. AXISCADES will be setting up a dedicated offshore development centre in order to provide design, design support and other engineering services to the world's leading OEMs. As both companies explore new technical areas of providing offshore value addition, the centre is expected to expand its operations, going forward.

### OPERATIONS

During the year, AXISCADES announced the acquisition of ACATL - a technology company in Aerospace & Defence sector. The transformation of AXISCADES in scale and capabilities makes it a formidable player in the global engineering landscape. At the same time, through its commitment to innovation, understanding customer requirements and building the right work culture, the Company continues to remain agile to internal and external opportunities as well as challenges.

To bring in greater focus for the functions of sales and delivery, in FY 2014-15 the sales team had been strengthened and transformed from a Business Unit (BU) wise structure to an integrated organisation with three layers – sales, delivery and practice. During the year under review, the thrust on sales was further intensified through expansion of the sales organisation team. Two new positions were created to expand business prospects in key geographies - Global Head of Sales based out of US and Director of Business Development & Strategy based out of Paris. Apart from this, sales presence team in America and Europe region and at key accounts were strengthened to understand and address customer needs effectively.

The aggressive sales and business development strategy is working to the advantage of the Company with strong client addition marking the year. 19 new clients were added in FY16. In addition, the Company renewed a multi-year contract with its key customer to provide value engineering advantage to product engineering and development. The year also marked the renewal of Preferred Engineering Supplier status with the largest aerospace OEM in the world and this is for a period of three years which ensures continuity of business.

The Company continued to strengthen focus on operational efficiency to drive profitability. Disciplined focus on program management, business processes, cost reductions and quality remained pivotal to the growth strategy.

The increased share of offshore servicing compared to onsite service delivery, increased the share of more cost-effective operations.

### HUMAN RESOURCES

The Company's skilled and professional employees are its greatest asset. The quality and level of engineering competency that the team provides is the best in the niche industry that the Company operates in. The key elements that define the Company's human resource culture are highest level of technical work, on-the-job training and market lead compensation. The total number of employees on consolidated basis as on 31 March, 2016 stood at 1603.

### QUALITY AND CERTIFICATIONS

AXISCADES strongly believes that it is not just size that helps it to maintain a competitive edge. The quality of its service offerings together with the seal of trust has helped it to build enduring customer relationships.

The Company aims to achieve Total Customer Satisfaction through on-time delivery of innovative, cost-effective and defect-free Engineering Services, Solutions and Products.

#### The Quality Policy

This is captured in the tagline - Delivering customer delight with 'SPEED', where SPEED is an acronym for:

- 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 its business by following the defined Risk Assessment method that ensures the confidentiality, integrity and availability of its organisational and customers' information. This method is enforced through controls, compliance and business continuity by consistently improving people, processes, technology and infrastructure.

### Certifications and Approvals

- ISO 9001:2008
- AS 9100C
- ISO 27001:2013
- Aerospace OEM's Design approval authority

### PERFORMANCE HIGHLIGHTS

	FY16	FY15
Revenue from operations in \$ Mn	\$ 57.4	\$ 52.0
In Million ₹		
<b>Revenue from operations</b>	<b>3,754</b>	<b>3,176</b>
Total Income	3,775	3,176
Employee expenses	2,281	2,012
Other expenses	939	746
Total expenses	3,219	2,758
<b>EBITDA</b>	<b>555</b>	<b>418</b>
<b>PBT</b>	<b>447</b>	<b>288</b>
PAT (after Minority Interest)	286	194
EPS (in ₹)	10.51	7.69
<b>EBITDA %</b>	<b>14.7%</b>	<b>13.2%</b>
PBT %	11.9%	9.1%
PAT %	7.6%	6.1%

The Company's revenue from operations grew by 18.2% in INR terms and 10.4% in USD terms, with the growth fuelled by the Aerospace and Heavy Engineering verticals. Operational efficiency and a sharp focus on delivery time and quality helped us grow the margins substantially. While our gross margin expanded, some of this was offset by investment in sales and hiring in leadership positions – employee cost was up by 13.4%. After factoring in the margin growth and cost increase, our EBITDA grew 33% during the year under review. There was a significant rise in PAT (after minority interest), which stood at ₹ 286 million / ₹ 28.6 crore in FY16, up 47.2% from FY15. Earnings per share was ₹ 10.51, up 36.7% from FY15. The last quarter of FY 2015-16 saw revenues of ₹ 990 million / ₹ 99 crore, a growth of 2.5% quarter-on-quarter. During the year, the Company saw an improvement of 8% in the ratio of revenue from fixed price contract.

### OUTLOOK

Strategically, through the transformation process which began in the last quarter of FY 2014-15, AXISCADES remains on track to move

to the next level of growth. The focus on putting in place best-in-class processes and systems will continue, enabling the Company to stay close and relevant to the needs of the customer. Further, as vast majority of the Company's key customer relationships are extremely long-lasting, this has potential to expand by way of cross sell and upsell to several other areas. The Company also remains committed to expanding its service offerings, quality of delivery, technical knowledge and expertise to reinforce its leading position as a valued provider of critical solutions to Aerospace, Defence, Heavy Engineering, and Automotive and Industrial sectors. Additionally, by extending service offerings to new engineering domains such as Energy and Medical, the Company is optimistic of unearthing new opportunities for growth.

AXISCADES with its deep domain expertise in the Aerospace and Defence sector is well-positioned to capitalise on the emerging opportunities driven by the Government's 'Make in India' initiative, with these sectors being the key beneficiaries. A slew of measures have already been announced in the recent budget to incentivise the domestic industry. The defence ministry has also restored Engineering, Design and Testing services as eligible offsets for Defence contracts, subject to certain restrictions. This is expected to have a catalytic effect on outsourcing by Global Aerospace and Defence OEMs, significantly benefiting AXISCADES, a key player in the engineering services industry.

The recent announcement of acquisition of ACATL in FY 2015-16 and the merger with CADES Digitech in FY 2014-15 demonstrates the Company's ability to select and integrate businesses that are accretive to AXISCADES and to its global capabilities. In recent years, the Company has also entered into strategic partnerships with experienced and reputed firms to strengthen its basket of offerings and capabilities. Going forward, the Company remains observant to careful evaluation of more such mutually beneficial relationships as part of its growth plan.

The Company has also revamped its sales team and increased its focus on existing and new verticals in pursuit of growth in selected areas like embedded electronics, Hi Tech, medical devices, product lifecycle management. Apart from reaching out to new customers and insulating the Company from the risk of overdependence on a few clients, the team also works on strengthening existing relationships, thereby pushing up revenues. The Company also remains focussed on developing newer business models where the relationship with customers is partnership-based rather than just a service provider. The Company remains confident that these strategic investments towards sales and solutions would bear results in the coming quarters.

As part of the Company's strategy to further improve its cost structure and improve margins, the approach is to increase the proportion of offshore work in comparison to onsite service delivery. Simultaneously, the focus will be on leveraging operational and business best practices to enhance financial performance year-on-year.

## RISKS

As with every business, the Company faces certain risks in its day-to-day functioning. These are typically transactional in nature and managed through internal processes and controls. The Company's

management team has been entrusted with the responsibility to identify important risks early and highlight the same to the Board of Directors for effective mitigation or management measures. The principal risks to the achievement of the Company's strategy have been provided hereafter, including the actions taken to mitigate these risks.

**Market risk:** Presently, few of the Company's customers are contributing to a large segment of the revenues. This overdependence can cause considerable disruption to revenue in case of loss of key customer. To mitigate this risk, the Company is concerted working towards expanding customer base through aggressive sales policy.

**Operating environment risk:** Based on current business climate in the oil and mining industry, service providers in heavy engineering businesses are experiencing a very demanding environment. This is because customers are increasingly looking for solution-based services with proof of value to help them cut down their overall engineering and R&D cost. AXISCADES, a robust organisation is well positioned to translate this challenge into a growth opportunity. Since the Company's inception, the focus has been on superior practices and service lines to create unique solutions. The value proposition is well-understood and appreciated by customers thus creating sustained benefits for the Company.

**Manpower risk:** The Company is powered by the knowledge and expertise of its workforce. Inability to attract and retain the right talent can pose a threat to delivery of targets and organisational success. This risk is thwarted to a considerable extent as the Company continually invests in building and nurturing a strong talented pool by instituting best practices with respect to its employees.

**Technology risk:** With technology evolving at a rapid pace, there is always the risk of disruptive technology making certain services redundant. Through institutionalised knowledge building and widened spectrum of activities, the Company is well-gearred to mitigate this risk.

**Reputational risk:** Deterioration in quality or service levels or even IPR theft can cause serious long-term damage to the Company's reputation with financial consequences such as the loss of a customer and the cost of damages or litigation. With stringent quality systems in place including adopting global quality norms, the impact of this risk is reduced considerably.

**Data Security risk:** Sensitive data is stored and transmitted electronically in a partnership business, especially in the case of engineering services. The Company is therefore exposed to the risk of data loss by cyber attack or access by unauthorised people to commercially sensitive data. The Company has a specific quality certified process to monitor and mitigate this risk.

**Currency Exchange risk:** As with all global businesses, the Company is exposed to risks of foreign exchange fluctuations. The Company has a Forex risk management policy to discuss periodically and take proactive steps to manage its margins against foreign exchange movements.

**Regulatory and Safety risk:** The global and complex nature of engineering and R&D services means that the Company has to comply with a wide variety of legislative requirements – environmental matters,

employee welfare, safety, wastage, emissions etc. Changes in laws, regulations, policies and other Governmental actions could affect the Company's operation periodically. To mitigate this risk, the Company has a regulatory compliance review mechanism in place.

### **CORPORATE SOCIAL RESPONSIBILITY**

Last year, the Corporate Social Responsibility Committee designed and implemented various CSR initiatives to be taken up by the Company. Further, three organisations were selected as AXISCADES CSR partners.

### **INTERNAL CONTROLS 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 and protection against unauthorised use and disposition. The Company's internal control is made more robust through internal audits, periodic review by management and well-documented policies, guidelines and procedures. The Company's Audit Committee reviews and takes suitable actions for any deviation, observation or recommendation suggested by the internal auditors. The internal controls are designed to ensure that financial and other records are adequate and authentic for preparing financial disclosures.

### **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.*



*CSR initiative - Providing access to education*

# *Board's Report*

# BOARD'S REPORT

To,

The Members,

Your Directors have pleasure in presenting the 26th Annual Report on the business and operations of the Company, together with the Financial Statements of the Company, for the financial year (FY) ended March 31, 2016. The Consolidated performance of the Company and its subsidiaries has been referred to, wherever required.

## 1. FINANCIAL RESULTS

(₹ Million)

Particulars	Standalone		Consolidated	
	2015-16	2014-15	2015-16	2014-15
Total Income	2,380.00	1,895.71	3,793.07	3,192.43
Total expenditure (before interest & depreciation)	1,867.97	1,590.45	3,219.44	2,757.70
Earnings before interest, depreciation, amortization and extra-ordinary items	512.03	305.26	573.63	434.73
Interest & finance charges	17.85	23.03	18.37	23.53
Depreciation & amortization	92.46	80.43	101.86	93.36
Earnings before Tax and Exceptional Items	401.72	201.80	453.40	317.84
Exceptional item	5.93	29.71	5.93	29.71
Profit before Tax (PBT)	395.79	172.09	447.47	288.13
Provision for Tax – Current & Deferred	132.99	58.85	157.60	90.06
Net Profit after Tax (PAT)	262.80	113.24	289.87	198.07
Minority Interest	0.00	0.00	4.07	3.96
Profit for the period	262.80	113.24	285.80	194.11

### 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 FY2016 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. The Company also worked around diversification of its offerings across new sectors and geographies and strengthening of internal systems and processes. In line with the company's strategy to diversify into newer industry sectors, during the year the company has set up Offshore Development Centre for Siemens Wind Power

at Hyderabad. The centre started with 50 engineers and will grow over time as both the companies explore new technical areas of providing offshore value addition. With this long-term partnership, AXISCADES aims to further solidify its position in the energy sector.

### FINANCIAL HIGHLIGHTS – STANDALONE

Total Income increased by 25.55% to ₹ 2,380.00 million in 2015-16. EBITDA increased by 67.74% to ₹ 512.04 million in 2015-16. Profit before tax and exceptional items increased by 99.07% to ₹ 401.72 million in 2015-16. Net Profit after tax increased by 132.07% to ₹ 262.08 million in 2015-16.

### FINANCIAL HIGHLIGHTS – CONSOLIDATED

Total Income increased by 18.81% to ₹ 3,793.07 million in 2015-16. EBITDA increased by 31.95% to ₹ 573.63 million in 2015-16. Profit before tax and exceptional items increased

by 42.65% to ₹ 453.40 million in 2015-16. Net Profit after tax increased by 46.35% to ₹ 289.87 million in 2015-16.

### RESERVES

The Company has not transferred any amount to its reserves for the Financial Year ended March 31, 2016.

### 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 2015-16.

### PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

Loans, guarantees and investments covered under Section 186 of the Companies Act, 2013 form part of the Notes to the financial statements provided in the Annual Report.

### 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 of India Limited (NSE). Stock performance and stock data are furnished in the section on Corporate Governance.

During the year the Company has not issued any shares and therefore there is no change in the Share Capital of the Company.

Pursuant to the SEBI (Listing obligations and Disclosure Requirements) Regulations, 2015, effective from December 1, 2015, the Company entered into listing Agreement with BSE Limited and National Stock Exchange of India Limited.

### 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 transactions have been approved by the Audit Committee and the Board. Your attention is drawn to the Notes to the financial statement.

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](http://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. However the Company has filed a Scheme of Amalgamation with the Honorable High Court of Karnataka, details of which is as given below:

#### *Scheme of Amalgamation:*

The Board of Directors of the Company has approved the acquisition of AXISCADES Aerospace & Technologies Pvt. Ltd. (ACAT), an aerospace, defence and homeland security technologies company, by way of a Scheme of Amalgamation of its Holding Company namely India Aviation Training Institute Pvt. (IAT) with the Company.

The shareholders of IAT will receive 10(ten) equity shares in ACAT for every 5(five) shares held by them in IAT. The appointed date of the Scheme is 1st April 2016 or any other date as may be directed by the Hon'ble Court of Karnataka. The Scheme has got the approval from the shareholders and creditors on 25th April 2016 in the Court Convened Meeting.

### MANAGEMENT DISCUSSION AND ANALYSIS

In terms of the provisions of Regulation 34 of the Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulation 2015, 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

The Company has the following subsidiaries:

#### Overseas Subsidiaries

Sl. No.	Name of the subsidiary	Location/Country
1	Axis Inc.	Peoria, Illinois USA
2	AXISCADES UK Ltd. (formerly Axis EU Europe Ltd.)	Leicestershire, UK
3	AXISCADES Technology Canada Inc. (Formerly 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 overseas subsidiaries are wholly owned by the Company. In case of Indian subsidiary, the Company holds 76% of its equity shares.

There are no associate companies within the meaning of section 2(6) of the Companies Act, 2013.

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](http://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,

### Induction and cessation of Directors and KMP

Sl. No.	Name of the Director	Category	Date of Appointment	Date of Approval by Shareholder	Date of Resignation
1	Mr. Sudhakar Gande	Vice Chairman & Executive Director	14.08.2015	07.09.2015	NA
2	Mr. Kaushik Sarkar	Director	12-09-2014	12-01-2015	25-06-2015*
3	Ms. Vimmi M. Trehan	Independent	30-03-2015	19-05-2015	NA
4	Mr. Amit Gupta	Non- Executive	12-09-2014	07.09.2015	NA

\*Mr. Kaushik Sarkar continued as a Director upto June 24, 2015 and thereafter continues as a CFO.

### 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. Company's health policies commits to provide safe and healthy work environment to all the employees.

2013 read with Accounting Standards (AS) 21, 23 and 27, the audited Consolidated Financial Statements are furnished in the Annual Report.

### CHANGE IN THE REGISTERED OFFICE OF THE COMPANY

The Registered office of the Company was shifted from New Delhi to the state of Karnataka at Block C, 2nd Floor, Kirloskar Business Park, Bengaluru-560024, with effect from December 2, 2015 with necessary statutory approvals.

## 3. ORGANIZATION DEVELOPMENT

### BOARD OF DIRECTORS

#### Retirements and Reappointments

In the ensuing Annual General Meeting, Mr. Kedarnath Choudhury and Mr. Rohitasava Chand, Directors retire by rotation, 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 Annual General Meeting (AGM).

As part of leadership development, Mr. Sudhakar Gande was inducted as the Executive Director in the capacity of Vice Chairman of the Company with effect from August 14, 2015 for a period of five years.

The manpower strength of the Company, on consolidated basis stood at 1603 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 Schedule V of the SEBI (LODR) Regulations 2015 is attached and forms part of the Annual 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 7 (seven) 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 Regulations 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. The terms and conditions of appointment of Independent Directors are placed on the website of the Company at [www.axiscades.com](http://www.axiscades.com).

##### PERFORMANCE EVALUATION OF THE BOARD, COMMITTEES AND DIRECTORS

The board of directors has carried out an annual evaluation of its own performance, Board Committees and individual directors pursuant to the provisions of the Companies Act, 2013 and SEBI (LODR) Regulations, 2015.

The performance of the Board and its committees was evaluated by the Board / committee after seeking inputs from all the directors/members on the basis of the criteria and framework

adopted by the Board. The evaluation process has been explained in the Corporate Governance Report section of the Annual Report.

##### 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](http://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.

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 2015-16, 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. they 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. they 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 Chandiook & Co LLP Chartered Accountants (Firm Registration No. 001076N/ N500013), were appointed as

Auditors of the Company by the shareholders at the AGM held on September 9, 2014 (duly ratified in the AGM dated September 7, 2015) 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 Chandiook & 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 2015-16. 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.

#### ***Details in respect of frauds reported by Auditors other than those which are reportable to the Central Government***

The Statutory Auditors or the Secretarial Auditors of the Company have not reported any frauds to the Audit Committee or to the Board of Directors under section 143(12) of the Companies Act, 2013, including rules made thereunder.

#### **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 (other than the one mentioned above w.r.t. Scheme of Amalgamation).

#### **EXTRACT OF ANNUAL RETURNS**

The extract of Annual Return of your Company as on March 31, 2016, 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. The same has been audited and certified by the Statutory Auditors of the company in their Audit Report.

## 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](http://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, it 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, and recycling of paper etc.

Foreign Exchange Earnings and Outgo (Standalone)

	₹ Million	
	2016	2015
Foreign Exchange Earnings (actual inflows)	1,843.20	1430.68
Foreign Exchange Outgo (actual outflows)	823.16	654.25

### Technology Absorption

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.

### GREEN INITIATIVES

As in the previous years, this year too, we are publishing the Annual Report in the print version only for the members who have not registered their email address with the Company / Depository Participant. The Physical copies are sent in the permitted mode. Electronic copies of the Annual Report are sent to all the members whose email addresses are so registered.

### 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**  
CEO & Director

Sd/-  
**Kedarnath Choudhury**  
Director

Date: June 16, 2016

Place: Bengaluru

# ANNEXURES TO THE BOARD'S REPORT

## *ANNEXURE - I: Particulars of Contract / Arrangements 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:

SI. No.	Particulars	Details				
(a)	Name (s) of the related party	Axis Inc.	AXISCADES UK Ltd.	AXISCADES Technology Canada Inc.	AXISCADES Aerospace & Technologies Private Limited	Jupiter Capital Pvt. Ltd.
	Nature of relationship	Subsidiary	Stepdown Subsidiary	Subsidiary	Fellow subsidiary	Holding Co.
(b)	Nature of contracts/arrangements/ transaction	Buy & Sale of service / Cross charge transactions	Sale of service, reimbursement / payment of expenses/ Cross charge transactions	Sale of service, reimbursement / payment of expenses/ Cross charge transactions	Cross charge transactions/ Inter-Corporate Deposits	Cross charge transactions
(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	Transactions on ongoing basis/ 24 months contract	Transactions on ongoing basis

Sl. No.	Particulars	Details				
		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	Interest 14% pa Tenure 2 years	
(d)	Salient terms of the contracts or arrangements or transaction including the value, if any  Value of transactions during the year. (₹)					
	1. Sale of services	11,56,89,222	2,61,78,799	16,55,57,736	-	-
	2. Expenses incurred on behalf of	53,10,595	10,03,692	33,30,787	-	-
	3. Expenses recovered from	40,46,997	3,45,214	1,00,07,299	-	-
	4. Travel Expense Reimbursed	-	-	-	24,83,135	-
	5. Software subscription charges incurred by	1,38,86,610	-	-	-	-
	6. Salaries, wages and bonus incurred on behalf of	-	-	56,55,488	-	-
	7. Salaries, wages and bonus recovered / staff welfare expense incurred by	1,57,06,378	45,19,282	-	-	-
	8. Capex Reimbursed	-	-	-	-	1,13,178
	9. Inter Corporate Deposit (ICD) extended	-	-	-	13,75,00,000	-
	10. Interest income	-	-	-	32,20,959	-
(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 on arm's length basis. All the sale transactions are approved by the Audit Committee. ICD transaction is approved by the Audit Committee and Board				
(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

Date: June 16, 2016

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)

Sl. No.	Particulars	Axis Inc. (USA)	Name of the Subsidiary			
			AXISCADES UK Ltd. (UK)	Axis Mechanical Engineering Design (Wuxi) Co. Ltd. (China)	AXISCADES Technology Canada Inc. (Canada)	Cades Studec Technologies India Private Limited (India)
		Rs.	Rs.	Rs.	Rs.	Rs.
1	Financial period ended	31-Mar-16	31-Mar-16	31-Mar-16	31-Mar-16	31-Mar-16
2	Reporting currency and Exchange rate					
	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	66.3329	95.0882	10.2641	51.0991	NA
3	Share capital	14,90,65,084	5,47,20,977	46,23,722	5,110	62,50,000
4	Reserves & surplus	4,36,99,120	27,21,519	(57,07,321)	14,04,12,768	10,09,84,432
5	Total assets	29,69,91,492	10,62,20,935	11,77,228	21,13,23,936	12,41,86,987
6	Total Liabilities	29,69,91,492	10,62,20,935	11,77,228	21,13,23,936	12,41,86,987
7	Investments	7,62,18,558	-	-	-	-
8	Turnover	93,41,76,731	25,35,00,115	-	37,22,67,667	16,17,31,087
9	Profit before taxation	(2,37,67,822)	(1,01,78,118)	(3,72,607)	6,35,42,777	2,47,95,493
10	Provision for taxation	-	(13,47,590)	-	1,85,97,371	78,20,453
11	Profit after taxation	(2,37,67,822)	(88,30,528)	(3,72,607)	4,49,45,406	1,69,75,040
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:

- Axis Inc: The revenue grew by 8.60 % as compared to last year due to increased customer engagement, however the losses were due to increased sales and marketing expenses.
- AXISCADES UK Ltd: The revenue was almost flat with a marginal decrease by 1.04% due to local market condition. The losses were due to increased sales and marketing expenses.
- AXISCADES Technology Canada Inc: The revenue grew by 18.75% as compared to previous year due to growth in customer engagement. The profit came down by 17.16 % in the same period due to pricing pressure.
- Cades Studec: The Revenue, Profit before and after tax has shown positive growth on Y-O-Y basis.
- Axis China: The Company is yet to commence its operations.
- 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: June 16, 2016

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.	Sudhakar Gande	41.12	
		b.	Valmeekanathan S.	22.30	
		c.	Kaushik Sarkar*	14.49	
(ii)	The percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary in the Financial Year	a.	Sudhakar Gande	Not Applicable	
		b.	Valmeekanathan S.	15.5%	
		c.	Kaushik Sarkar	20.4%	
		d.	Shweta Agrawal	28.0%	
(iii)	The percentage increase in the median remuneration of employees in the financial year.	15.1%			
(iv)	The number of permanent employees on the rolls of the company	1105			
(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 2015 -16 as compared to 2014 -15	24.72%	
		b.	% Increase in PAT in 2015 -16 as compared to 2014 -15	132.07%	
		c.	% Increase in EBITDA in 2015 -16 as compared to 2014 -15	67.74%	
		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 (₹ Crores)	Price Earning Ratio
		31.03.2015	337.40	917.37	75.17
		31.03.2016	286.50	778.98	25.99
		Closing share price as on 31 March 2016 was ₹ 286.50. The Company's offer price during its public issue in 2001 was ₹ 81.			
(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.	9.35% (excluding managerial personnel)			
		8.91% (including managerial personnel)			
		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.			

(ix)	Comparison of the each remuneration of the Key Managerial Personnel against the performance of the Company.	Name of the KMP	% increase in Remuneration in 2015-2016 as compared to 2014-2015	% increase in Net Sales in 2015-2016 as compared to 2014- 2015	% increase in PAT 2015-16 as compare to 2014-2015	% Increase in EBIDTA in 2015-16 as compared to 2014-2015
		Sudhakar Gande	Not Applicable	24.72%	132.07%	67.74%
		Valmeekanathan S.	15.5%			
		Kaushik Sarkar	20.4%			
		Shweta Agrawal	28.0%			
(x)	The Key Parameters for any variable component of remuneration availed by the Directors	The key parameters are				
		a)	Increase in consolidated revenue in USD & INR terms			
		b)	Improvement in EBIDTA			
		c)	Improvement in operating matrices			
(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.	NIL				
(xii)	It is hereby affirmed that the remuneration is as per the Remuneration Policy of the Company.					

\*Mr. Kaushik Sarkar continued as a Director upto June 24, 2015 and thereafter continues as a CFO.

Note: Remuneration excludes the value of perquisites.

#### For and on behalf of the Board

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

Sd/-  
**Kedarnath Choudhury**  
 Director

Date: June 16, 2016

Place: Bengaluru

## 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 ₹ 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
Valmeekanathan S.	CEO & Director	1,18,80,000	BE (Hons) in Mechanical Engineering	31	25-02-2014	52	Independent Consulting (Consultant)
Kaushik Sarkar	Chief Financial Officer	76,07,638	Master of Commerce, FCA and ACMA	21	12-09-2014	46	Independent Consulting (Consultant)
A Visweswara Rao	VP & Head - HR	70,38,645	MBA	21	16-04-2012	47	BT India Pvt Ltd (Head - HR)
Abhay Sharma	VP-Sales	1,03,16,883	BE	22	24-09-2012	43	Satyam Computer Services Limited (Program & Relationship Manager)
Oliver Brotzki	General Manager	79,33,955	Graduated mechanical engineer	19	20-01-2012	47	3D Contech (Branch Manager)
Marc Bouzaid	Head of BU Engineering Services	1,05,83,117	B.Tech	11	08-03-2013	33	Teccon Design and Engineering (Manager)
Juergen Kaehm	Lead Engineer	60,43,640	BE	35	01-12-2013	57	3D contech, Designer
Kai Fanslau-Ahnfeld	Sales Manager	60,29,656	Diploma of automotive Engineering	8	01-04-2012	37	3D contech, Stress Leader

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

Sudhakar Gande	Vice Chairman & Executive Director	1,06,12,903	M.Tech in Electronics & Computers, MBA (Finance)	27	14-08-2015	58	AXISCADES Aerospace Technologies Pvt. Ltd. (Vice Chairman & ED)
Sriram Jayakrishna	VP-Delivery	62,98,548	BE	22	09-04-2015	43	Tata Technologies Ltd. (Aero Engineering & Design-Program Management)

Notes:

1. Nature of employment: All the above are in regular employment of the Company.
2. Remuneration includes company's contribution to PF, variable pay and excludes the value of perquisites.
3. None of the above (together with their spouse and dependent children) holds 2% or more of the equity shares of 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

Date: June 16, 2016

Place: Bengaluru

## ANNEXURE - V

### 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 and reconstituted it on 9th September, 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 and Remuneration Committee.

**PART – B****POLICY FOR APPOINTMENT AND REMOVAL & REMUNERATION 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 ₹ 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 - VI****FORM MR-3  
SECRETARIAL AUDIT REPORT  
FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2016**

*[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  
Block C, Second Floor, Kirloskar Business Park  
Bengaluru - 560024,  
Karnataka, INDIA

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, 2016 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 ("the company") for the financial year ended on 31st March, 2016 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 and The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015
- (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;

**We 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:

- a) Special Economic Zone Act, 2005
- b) The Information Technology Act, 2000
- c) Software Technology Parks of India its Rules and regulations
- d) The Indian Copyright Act, 1957
- e) The Patents Act, 1970
- f) The Trade Marks Act, 1999

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

- (i) Secretarial Standards I & II 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) and
- (iii) The SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations).

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

**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.

All decisions of the Board have been carried through unanimously.

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 at their meeting held on August 14, 2015, has considered and approved the acquisition of AXISCADES Aerospace & Technologies Private Limited ("ACATL") through the Amalgamation of its holding company, India Aviation Training Institute Private Limited ("IAT") with AXISCADES Engineering Technologies Limited ("ACETL") on the terms and conditions as stated in the draft Scheme of Amalgamation.
2. The Company's Registered office has shifted from Delhi to "Block C, Second Floor, Kirloskar Business Park, Bengaluru - 560024, Karnataka" w.e.f. December 02, 2015 (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: 20th May, 2016

## ANNEXURE - VII

**FORM NO. MGT 9**  
**EXTRACT OF ANNUAL RETURN**  
**As on financial year ended on 31.03.2016**

*[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	L72200KA1990PLC084435
ii	Registration Date	24th August, 1990
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	Block C, Second Floor Kirloskar Business Park Bengaluru-560024 Tel-080 41939000 Fax:080 41939099
vi	Whether listed company	Yes
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

All the business activities contributing 10% or more of the total turnover of the company shall be stated:

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

Sl. 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	AXISCADES UK Ltd. (formerly 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	AXISCADES Technology Canada Inc. (formerly Cades Technology Canada Inc.) 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 Innovission Center, Bengaluru-560025	U72900KA2008PTC045597	Subsidiary of Holding	44.66%	Section 2(87)(ii)
8	Indian Aero Ventures Private Limited No.54, Richmond Road, Jupiter Innovission 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 2015)				No. of Shares held at the end of the year (As on 31 March 2016)				% change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of total shares	
<b>A. PROMOTERS</b>									
<b>(1) Indian</b>									
a) Individual/HUF	-	-	-	-	-	-	-	-	-
b) Central Govt. or State Govt.	-	-	-	-	-	-	-	-	-
c) Bodies Corporates	1,60,74,513	1	1,60,74,514	59.12	1,60,74,514	-	1,60,74,514	59.12	-
d) Bank/FI	-	-	-	-	-	-	-	-	-
e) Any other	-	-	-	-	-	-	-	-	-
<b>SUB TOTAL: (A) (1)</b>	<b>1,60,74,513</b>	<b>1</b>	<b>1,60,74,514</b>	<b>59.12</b>	<b>1,60,74,514</b>	<b>-</b>	<b>1,60,74,514</b>	<b>59.12</b>	<b>-</b>
<b>(2) Foreign</b>									
a) NRI- Individuals	-	-	-	-	-	-	-	-	-
b) Other Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corp.	-	-	-	-	-	-	-	-	-
d) Banks/FI	-	-	-	-	-	-	-	-	-
e) Any other	-	-	-	-	-	-	-	-	-
<b>SUB TOTAL (A) (2)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Shareholding of Promoter</b>	<b>1,60,74,513</b>	<b>1</b>	<b>1,60,74,514</b>	<b>59.12</b>	<b>1,60,74,514</b>	<b>-</b>	<b>1,60,74,514</b>	<b>59.12</b>	<b>-</b>
<b>(A) = (A)(1) + (A)(2)</b>									
<b>B. PUBLIC SHAREHOLDING</b>									
<b>(1) Institutions</b>									
a) Mutual Funds	12,506	-	12,506	0.05	-	-	-	-	-0.05
b) Banks/FI	34,819	-	34,819	0.13	95,643	-	95,643	0.35	0.22
c) Central Govt.	-	-	-	-	-	-	-	-	-
d) State Govt.	-	-	-	-	-	-	-	-	-
e) Venture Capital Fund	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIIS (including FPI)	5,45,635	-	5,45,635	2.18	6,77,862	-	6,77,862	2.49	0.31
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others	-	-	-	-	-	-	-	-	-
<b>SUB TOTAL (B)(1):</b>	<b>5,92,960</b>	<b>-</b>	<b>5,92,960</b>	<b>2.18</b>	<b>7,73,505</b>	<b>-</b>	<b>7,73,505</b>	<b>2.84</b>	<b>0.66</b>
<b>(2) Non Institutions</b>									
<b>a) Bodies corporates</b>									
i) Indian	34,03,557	-	34,03,557	12.52	24,20,416	-	24,20,416	8.90	-3.62
ii) Overseas	-	-	-	-	-	-	-	-	-

Category of Shareholders	No. of Shares held at the beginning of the year (As on 1 April 2015)				No. of Shares held at the end of the year (As on 31 March 2016)				% change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of total shares	
b) Individuals									
i) Individual shareholders holding nominal share capital upto ₹ 1 lakhs	30,45,571	47,790	30,93,361	11.38	40,22,609	45,869	40,68,478	14.96	3.58
ii) Individuals shareholders holding nominal share capital in excess of ₹ 1 lakhs	34,74,265	-	34,74,265	12.78	34,16,105	-	34,16,105	12.56	-0.22
<b>c) Others (specify)</b>									
Non Resident Indian	1,66,175	-	1,66,175	0.61	2,14,092	-	2,14,092	0.79	0.18
Clearing Member	3,11,244	-	3,11,244	1.14	1,23,716	-	1,23,716	0.46	-0.68
Trusts	73,517	-	73,517	0.27	98,767	-	98,767	0.36	0.09
<b>SUB TOTAL (B)(2):</b>	<b>1,04,74,329</b>	<b>47,790</b>	<b>1,05,22,119</b>	<b>38.70</b>	<b>1,02,95,705</b>	<b>45,869</b>	<b>1,03,41,574</b>	<b>38.04</b>	<b>-0.66</b>
<b>Total Public Shareholding (B) = (B)(1) + (B)(2)</b>	<b>1,10,67,289</b>	<b>47,790</b>	<b>1,11,15,079</b>	<b>40.88</b>	<b>1,10,69,210</b>	<b>45,869</b>	<b>1,11,15,079</b>	<b>40.88</b>	<b>-</b>
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Grand Total (A+B+C)</b>	<b>2,71,41,802</b>	<b>47,791</b>	<b>2,71,89,593</b>	<b>100.00</b>	<b>2,71,43,724</b>	<b>45,869</b>	<b>2,71,89,593</b>	<b>100.00</b>	

**(ii) Shareholding of Promoters**

Sl. 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	44.66	0	12142100	44.66	0	0
2	INDIAN AERO VENTURES PRIVATE LIMITED	3696236	13.59	0	3696236	13.59	0	0
3	JUPITER CAPITAL PRIVATE LIMITED	236178	0.87	0	236178	0.87	0	0
	<b>Total</b>	<b>16074514</b>	<b>59.12</b>		<b>16074514</b>	<b>59.12</b>	<b>0</b>	<b>0</b>

**(iii) Change In Promoters' Shareholding ( Specify if there is No Change)**

There has been no change in the shareholding of promoter group of the Company during the year.

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

Sl. No.	For each of top 10 shareholders	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	<b>YUKTI SECURITIES (P) LTD</b>				
	At the beginning of the year 1 April 2015	572208	2.10	572208	2.10
	28.08.2015 (Transfer to a LLP of same beneficial owner through off Market Sale)	-572208	2.10	0	0
	At the end of the year 31 March 2016	0	0	0	0
02	<b>SUMER CHAND AND COMPANY LLP</b>				
	At the beginning of the year 1 April 2015	0	0.00	0	0.00
	28.08.2015 (Transfer from an entity of same beneficial owner through off Market Sale)	572208	2.10	572208	2.10
	At the end of the year 31 March 2016	572208	2.10	572208	2.10
03	<b>ALCHEMY INDIA LONG TERM FUND LIMITED</b>				
	At the beginning of the year 1 April 2015	500000	1.84	500000	1.84
	Buy/Sale during the year	0	0	0	0.00
	At the end of the year 31 March 2016	500000	1.84	500000	1.84
04	<b>SARAH FAISAL HAWA</b>				
	At the beginning of the year 1 April 2015	434608	1.60	434608	1.60
	22/01/2016 (Purchase of Shares)	1000	0	435608	1.60
	At the end of the year 31 March 2016	435608	1.60	435608	1.60
05	<b>SAM FINANCIAL SERVICES PVT. LTD</b>				
	At the beginning of the year 1 April 2015	411618	1.51	411618	1.51
	10/04/2015 (Market Sale)	-50000	0.18	361618	1.33
	17/04/2015 (Market Sale)	-22000	0.08	339618	1.25
	18/09/2015 (Market Sale)	-30636	0.11	308982	1.14
	25/09/2015 (Market Sale)	-108364	0.40	200618	0.74
	30/09/2015 (Market Sale)	-618	0.00	200000	0.74
	18/03/2016 (Market Sale)	-57000	0.21	143000	0.53
	At the end of the year 31 March 2016	143000	0.53	143000	0.53
06	<b>FAISAL ZUBAIR HAWA</b>				
	At the beginning of the year 1 April 2015	409640	1.51	409640	1.51
	22/05/2015 (Purchase of Shares)	10000	0.04	419640	1.54
	21/08/2015 (Purchase of Shares)	10000	0.04	429640	1.58
	30/10/2015 (Sale of Shares)	-10000	0.04	419640	1.54
	31/03/2016 (Sale of Shares)	-10000	0.04	409640	1.51
	At the end of the year 31 March 2016	409640	1.51	409640	1.51

Sl. No.	For each of top 10 shareholders	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
07	<b>EDELWEISS SECURITIES LTD. .</b>				
	At the beginning of the year 1 April 2015	377494	1.39	377494	1.39
	10/04/2015 (Purchase of Shares)	35305	0.13	412799	1.52
	10/04/2015 (Sale of Shares)	-301577	1.11	111222	0.41
	17/04/2015 (Sale of Shares)	-80937	0.30	30285	0.11
	24/04/2015 (Purchase of Shares)	49883	0.18	80168	0.29
	01/05/2015 (Purchase of Shares)	24919	0.09	105087	0.39
	08/05/2015 (Purchase of Shares)	16775	0.06	121862	0.45
	08/05/2015 (Sale of Shares)	-26038	0.10	95824	0.35
	15/05/2015 (Purchase of Shares)	50369	0.19	146193	0.54
	22/05/2015 (Purchase of Shares)	6684	0.02	152877	0.56
	22/05/2015 (Sale of Shares)	-50	0.00	152827	0.56
	29/05/2015 (Purchase of Shares)	25767	0.09	178594	0.66
	05/06/2015 (Purchase of Shares)	965	0.00	179559	0.66
	05/06/2015 (Sale of Shares)	-25000	0.09	154559	0.57
	12/06/2015 (Purchase of Shares)	32695	0.12	187254	0.69
	19/06/2015 (Purchase of Shares)	30177	0.01	217431	0.80
	19/06/2015 (Sale of Shares)	-1250	0.00	216181	0.80
	26/06/2015 (Sale of Shares)	-17169	0.06	199012	0.73
	30/06/2015 (Purchase of Shares)	95	0.00	199107	0.73
	03/07/2015 (Sale of Shares)	-2500	0.01	196607	0.72
	10/07/2015 (Sale of Shares)	-1885	0.01	194722	0.72
	17/07/2015 (Sale of Shares)	-1678	0.01	193044	0.71
	24/07/2015 (Sale of Shares)	-311	0.00	192733	0.71
	21/08/2015 (Purchase of Shares)	3000	0.01	195733	0.72
	21/08/2015 (Sale of Shares)	-99111	0.36	96622	0.36
	28/08/2015 (Sale of Shares)	-13870	0.05	82752	0.30
	04/09/2015 (Purchase of Shares)	100	0.00	82852	0.30
	11/09/2015 (Purchase of Shares)	1150	0.00	84002	0.31
	11/09/2015 (Sale of Shares)	-150	0.00	83852	0.31
	18/09/2015 (Sale of Shares)	-11487	0.04	72365	0.27
	25/09/2015 (Purchase of Shares)	250	0.00	72615	0.27
	30/09/2015 (Sale of Shares)	-250	0.00	72365	0.27
	09/10/2015 (Sale of Shares)	-1000	0.00	71365	0.26
	30/10/2015 (Sale of Shares)	-10000	0.04	61365	0.23
	06/11/2015 (Purchase of Shares)	68286	0.25	129651	0.48
	06/11/2015 (Sale of Shares)	-68186	0.25	61465	0.23
	13/11/2015 (Purchase of Shares)	100	0.00	61565	0.23
	20/11/2015 (Purchase of Shares)	50	0.00	61615	0.23
	20/11/2015 (Sale of Shares)	-125	0.00	61490	0.23
	27/11/2015 (Sale of Shares)	-225	0.00	61265	0.23
	04/12/2015 (Purchase of Shares)	96584	0.36	157849	0.58
	11/12/2015 (Purchase of Shares)	500	0.00	158349	0.58
	11/12/2015 (Sale of Shares)	-9262	0.03	149087	0.55
	18/12/2015 (Sale of Shares)	-5387	0.02	143700	0.53
	25/12/2015 (Purchase of Shares)	427	0.00	144127	0.53

Sl. No.	For each of top 10 shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	31/12/2015 (Purchase of Shares)	40250	0.15	184377	0.68
	01/01/2016 (Purchase of Shares)	76939	0.28	261316	0.96
	01/01/2016 (Sale of Shares)	-76789	0.28	184527	0.68
	08/01/2016 (Purchase of Shares)	770	0.00	185297	0.68
	15/01/2016 (Purchase of Shares)	403	0.00	185700	0.68
	15/01/2016 (Sale of Shares)	-4616	0.02	181084	0.67
	22/01/2016 (Sale of Shares)	-97596	0.36	83488	0.31
	29/01/2016 (Purchase of Shares)	1094	0.00	84582	0.31
	29/01/2016 (Sale of Shares)	-319	0.00	84263	0.31
	05/02/2016 (Purchase of Shares)	1251	0.00	85514	0.31
	12/02/2016 (Sale of Shares)	-342	0.00	85172	0.31
	19/02/2016 (Sale of Shares)	-1413	0.01	83759	0.31
	26/02/2016 (Purchase of Shares)	6729	0.02	90488	0.33
	04/03/2016 (Purchase of Shares)	674	0.00	91162	0.34
	11/03/2016 (Purchase of Shares)	6238	0.02	97400	0.36
	18/03/2016 (Purchase of Shares)	17878	0.07	115278	0.42
	25/03/2016 (Sale of Shares)	-17154	0.06	98124	0.36
	31/03/2016 (Purchase of Shares)	75445	0.28	173569	0.64
	31/03/2016 (Sale of Shares)	-32765	0.12	140804	0.52
	At the end of the year 31 March 2016	150804	0.55	150804	0.55
<b>08</b>	<b>ASHISH KACHOLIA</b>	<b>No. of shares</b>	<b>% of total shares of the company</b>	<b>No. of shares</b>	<b>% of total shares of the company</b>
	At the beginning of the year 1 April 2015	375000	1.38	375000	1.38
	31/03/2016 (Sale of Shares)	-75000	0.28	300000	1.10
	At the end of the year 31 March 2016	300000	1.10	300000	1.10
<b>09</b>	<b>NARENDRA KUMAR AGARWAL</b>	<b>No. of shares</b>	<b>% of total shares of the company</b>	<b>No. of shares</b>	<b>% of total shares of the company</b>
	At the beginning of the year 1 April 2015	375000	1.38	375000	1.38
	Buy/Sale during the year	0	0	0	0
	At the end of the year 31 March 2016	375000	1.38	375000	1.38
<b>10</b>	<b>AJAY DILKUSH SARUPRIA</b>	<b>No. of shares</b>	<b>% of total shares of the company</b>	<b>No. of shares</b>	<b>% of total shares of the company</b>
	At the beginning of the year 1 April 2015	336747	1.24	336747	1.24
	10/04/2015 (Sale of Shares)	-75000	0.28	261747	0.96
	17/04/2015 (Sale of Shares)	-10000	0.04	251747	0.93
	07/08/2015 (Sale of Shares)	-25000	0.09	226747	0.83
	14/08/2015 (Sale of Shares)	-15000	0.06	211747	0.78
	11/09/2015 (Sale of Shares)	-100000	0.37	111747	0.41
	25/09/2015 (Sale of Shares)	-50000	0.18	61747	0.23
	30/09/2015 (Sale of Shares)	-11000	0.04	50747	0.19
	30/10/2015 (Sale of Shares)	-7047	0.03	43700	0.16
	31/12/2015 (Sale of Shares)	-3700	0.01	40000	0.15
	08/01/2016 (Sale of Shares)	-1500	0.01	38500	0.14
	At the end of the year 31 March 2016	38500	0.14	38500	0.14

**v Shareholding of Directors and Key Managerial Personnel**

For Each of the Directors & KMP	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
At the beginning of the year 1 April 2015	0	0	0	0
Date wise increase/decrease in 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 2016	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
<b>Indebtedness at the beginning of the financial year 1 April 2015</b>				
i) Principal Amount	26,08,73,701	NIL	NIL	26,08,73,701
ii) Interest due but not paid	NIL	NIL	NIL	NIL
iii) Interest accrued but not due	5,25,367	NIL	NIL	5,25,367
<b>Total (i+ii+iii)</b>	<b>26,13,99,068</b>	<b>NIL</b>	<b>NIL</b>	<b>26,13,99,068</b>
<b>Change in Indebtedness during the financial year</b>				
Additions	80,56,16,850	NIL	NIL	80,56,16,850
Reduction	82,25,37,008	NIL	NIL	82,25,37,008
Net Change	-1,69,20,158	NIL	NIL	-1,69,20,158
<b>Indebtedness at the end of the financial year 31 March 2016</b>				
i) Principal Amount	24,40,37,295	NIL	NIL	24,40,37,295
ii) Interest due but not paid	NIL	NIL	NIL	NIL
iii) Interest accrued but not due	4,41,616	NIL	NIL	4,41,616
<b>Total (i+ii+iii)</b>	<b>24,44,78,911</b>	<b>NIL</b>	<b>NIL</b>	<b>24,44,78,911</b>

## 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	<b>Gross salary</b>	Sudhakar Gande Vice Chairman & Executive Director*	Valmeekananthan S. CEO & Director	Mr. Kaushik Sarkar CFO & Director**	
	(a) Salary as per provisions contained in section 17(1) of the Income Tax, 1961.	94,75,806.00	90,00,000.00	13,41,370.00	1,98,17,176.00
	(b) Value of perquisites u/s 17(2) of the Income tax Act, 1961	6,85,016.00	39,600.00	9,222.00	7,33,838.00
	(c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961	0.00	0.00	0.00	-
2	Stock option	0.00	0.00	0.00	-
3	Sweat Equity	0.00	0.00	0.00	-
4	Commission as % of profit	0.00	0.00	0.00	-
5	Others***	61,37,097.00	43,80,000.00	6,83,406.00	1,12,00,503.00
	<b>Total (A)</b>	<b>1,62,97,919.00</b>	<b>1,34,19,600.00</b>	<b>20,33,997.00</b>	<b>3,17,51,516.00</b>
	<b>Ceiling as per the Act</b>	<b>Company has obtained Central Govt. approval for Remuneration in excess of the limits as defined under the Companies Act.</b>			

\* Mr. Sudhakar Gande was appointed as Vice Chairman and Executive Director w.e.f August 14, 2015.

\*\* Mr. Kaushik Sarkar ceased to be a Director w.e.f. June 25, 2015 and continued to be CFO. Details of remuneration in the above table are given upto the date of cessation as Director.

\*\*\* Includes Employers contribution to PF and performance based variable pay.

### B. Remuneration to other directors:

Sl. No.	Particulars of Remuneration	Name of the Directors					Total Amount
		Vivek Mansingh	Pradeep Dadlani	K.M. Rustagi	Srinath Batni	Vimmi Trehan	
1	Independent Directors						
	(a) Fee for attending board committee meetings	13,50,000	16,50,000	18,00,000	17,00,000	6,00,000	71,00,000
	(b) Commission	-	-	-	-	-	-
	(c) Others, please specify	-	-	-	-	-	-
	<b>Total (1)</b>	<b>13,50,000</b>	<b>16,50,000</b>	<b>18,00,000</b>	<b>17,00,000</b>	<b>6,00,000</b>	<b>71,00,000</b>
2	Other Non Executive Directors	<b>Kedarnath Choudhury</b>	<b>Rohitasava Chand</b>	<b>Amit Gupta</b>			
	(a) Fee for attending board committee meetings	4,10,000	3,90,000	1,80,000			9,80,000
	(b) Commission	-	-	-			
	(c) Others, please specify.	-	-	-			
	<b>Total (2)</b>	<b>4,10,000</b>	<b>3,90,000</b>	<b>1,80,000</b>			<b>9,80,000</b>
	<b>Total (B) = (1+2) - Total Managerial Remuneration</b>						<b>80,80,000</b>
	<b>Overall Ceiling as per the Act.</b>	Executive Directors- Company has obtained Central Government approval for Remuneration in excess of the limits defined under the Companies Act					
		Non-Executive Directors- Sitting fee not exceeding ₹ 1,00,000/- per meeting/Director					

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

Sl. No.	Particulars of Remuneration	Key Managerial personnel			Total
		CEO*	CFO***	Company Secretary	
1	<b>Gross Salary</b>				
	(a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961.		57,60,000	17,11,110	74,71,110.00
	(b) Value of perquisites u/s 17(2) of the Income Tax Act, 1961		39,600.00	0	39,600.00
	(c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961		-	0	-
2	Stock Option		-	0	-
3	Sweat Equity		-	0	-
4	Commission as % of profit		-	0	-
				0	-
5	Others**		29,34,624.00	75,000	30,09,624.00
					-
	<b>Total</b>		<b>87,34,224.00</b>	<b>17,86,110</b>	<b>1,05,20,334.00</b>

\*Particulars of Remuneration of CEO (Mr. Valmeekanathan S.) are given under point VI(A) above.

\*\* Includes Employers contribution to PF and performance based variable pay.

\*\*\* Full year Remuneration.

**VII PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES**

There were no penalties/punishment/compounding of offences for the year ending March 31, 2016.



## 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](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. Also embedded in this objective is support to the disadvantaged section of the society by guiding them to improve their quality of life.

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, is ₹ 1,241.94 lacs.

5. Prescribed CSR spend @ 2% of average net profit for the last three financial years is ₹ 24.84 lacs.

#### 6. CSR spend during the financial year:

	(₹ Lacs)
a. Total amount to be spent	24.84
b. Amount committed	24.84
c. Amount disbursed	24.84
d. Amount unspent (a-c)	NIL

7. The manner of the amount spent during the financial year is as follows:

Name/details of implementing agency	CSR project/activity identified	Sector in which the project is covered	Location of projects/programmes	Amount outlay/approved (₹ In Lakh)	Cummulative expenditure upto the reporting period	Amount spent direct/overheads (₹ In Lakh)
<b>Dream A Dream</b>	<ul style="list-style-type: none"> <li>Employee Participation in After School Life Skills Programmes</li> <li>Career guidance workshops</li> <li>Life skills through Creative Arts (sessions)</li> <li>Dream outdoor experiential camp</li> </ul>	Education and employment enhancing vocational skills	Bengaluru	8.67	20.67	8.67
<b>Make A Difference</b>	<ul style="list-style-type: none"> <li>Teaching and mentoring a child</li> <li>Career guidance and coaching</li> </ul>	Education and employment enhancing vocational skills	Hyderabad & Chennai	8.67	16.04	8.67
<b>Belaku Shishu Nivasa</b>	<ul style="list-style-type: none"> <li>Employee Participation in After School Life Skills programmes</li> </ul>	Providing shelter and care to both orphan children and destitute senior citizens.	Bengaluru	7.50	7.50	7.50

**Notes:**

- 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.

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

Sd/-  
**Vivek Mansingh**  
Chairman of CSR Committee

Date: June 16, 2016  
Place: Bengaluru



**AXISCADES**  
Inspired Solutions. By Design

**AXISCADES ENGINEERING TECHNOLOGIES LIMITED**  
(formerly known as Axis-IT&T Limited)

# *Report on Corporate Governance*

# Report on Corporate Governance

*“Corporate Governance is not something that is put in place and then left. Ensuring its effectiveness depends on regular review, preferably regular independent review. And, in the end that comes down to the shareholders. Outside assessment and self-assessment need to be regular events.”*

– Jim Jones (Business day)

## I. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

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 regulations which came into effect from December 1, 2015 and report the compliances as required under Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as "SEBI (LODR), Regulations 2015") as follows:

## II. BOARD OF DIRECTORS

- i. As on March 31, 2016, the Company has ten Directors. Of the ten Directors, eight (80%) are Non-Executive and five (50%) of the Board comprises of Independent Directors. The composition of the Board is in conformity with Regulation 17 of SEBI (LODR), Regulations, 2015 and Companies Act, 2013. The Chairman of the Company is a Non-Executive, Independent Director.
- ii. None of the director is a member of more than ten committees or chairman of more than five committees across all the public companies in which he is a director. Necessary disclosures regarding committee positions in other public companies have been made by the directors.
- iii. None of the directors are related interse. 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.

- iv. The maximum tenure of the Independent Directors is in compliance with the Companies Act, 2013 ("Act"). All the Independent Directors have confirmed that they meet the criteria as mentioned under Section 149 of the Act.
- v. The Independent Directors meet at least once in every financial year 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 to the Board. During the year the Independent Directors have met once on November 6, 2015. The terms and conditions of appointment of Independent Directors are disclosed on the website of the Company.
- vi. 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 successful persons drawn from diverse expertise, having achieved excellence in their respective fields. 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.
- vii. The names and categories of the directors on the board, their attendance at board meetings & the last Annual General Meeting (AGM) held during the year and the number of directorships and committee chairmanships / memberships held by them in other public companies are given herein below. Other directorships/committee membership do not include directorships/committee memberships of private limited companies, Section 8 companies and companies incorporated outside India. Chairmanships / memberships of board committees shall include only audit committee and stakeholders' relationship committee.

Name of the Director	Category <sup>1</sup>	No. of BM during 2015-2016 <sup>2</sup>		Attendance Last AGM <sup>2</sup>	No. of other Directorships and Committee Membership/Chairmanship held as on March 31, 2016		
		Held	Attended		Other Directorship	Committee Memberships	Committee Chairmanships
Dr. Vivek Mansingh (Chairman)	ID	7	5	Yes	-	-	-
Mr. Sudhakar Gande <sup>3</sup> (Vice Chairman)	ED	3	2	Yes	2	-	-
Mr. Valmeekanathan S (CEO)	ED	7	6	Yes	1	-	-
Mr. Rohitasava Chand	NED	7	6	Yes	1	1	-
Mr. Kedarnath Choudhury	NED	7	7	Yes	1	-	-
Mr. Amit Gupta	NED	7	5	Yes	-	-	-
Mr. Pradeep Dadlani	ID	7	7	Yes	-	-	-
Mr. Kailash M. Rustagi	ID	7	7	Yes	-	-	-
Mr. Srinath Batni	ID	7	5	Yes	1	-	-
Mrs. Vimmi Mittal Trehan	ID	7	7	Yes	-	-	-
Mr. Kaushik Sarkar <sup>4</sup>	ED	2	2	NA	-	-	-

Ms. Shweta Agrawal, Company Secretary is the Compliance Officer of the Company. Further she acts as a secretary to all the committees of the Board.

1. ID - Independent Director; ED – Executive Director; NED – Non Executive Director
2. BM – Board Meeting; AGM – Annual General Meeting
3. Mr. Sudhakar Gande was appointed as Additional Director in the capacity of Vice Chairman and Executive Director w.e.f. August 14, 2015
4. Mr. Kaushik Sarkar continued as Director upto June 24, 2015 and thereafter continues as a CFO.

viii. Seven Board meetings were held during the fiscal year 2015-2016 and the gap between two meetings did not exceed one hundred twenty days. The dates on which the said meetings were held: May 18, June 5, August 12, August 14, November 6, December 23 and February 10.

The necessary quorum was present for all the meetings.

ix. Adequate notice is given to all directors for the scheduled Board Meetings and agenda with detailed notes is sent, which is 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.

(x) Familiarization program for Directors

The Board of Directors is responsible for overall supervision of the Company. To achieve this board periodically reviews performance, risk management, internal/external audit report etc. The Directors are familiarized through:

- a) Presentations by senior executives giving an overview of our operations
- b) Enriching skill by adopting various methods.
- c) Induction and orientation process inter-alia, their roles, responsibilities and liabilities, nature of the Industry in which the Company operates, business model of the Company.

(d) 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 [www.axiscades.com](http://www.axiscades.com).

### III. COMMITTEES OF THE BOARD

Currently the Board has five Committees. The role of all the committees of the Board has been defined as guided by the Companies Act and SEBI (LODR) Regulations, 2015. Any addition to the scope of the committee is approved by the Board. The Committees along with their functioning are detailed below:

#### A. AUDIT COMMITTEE

- i. The Audit committee of the Company is constituted in line with the requirements of provisions of Regulation 18 of SEBI (LODR), Regulations, 2015 read with Section 177 of Companies Act, 2013.
- ii. The Terms of reference of the audit committee are broadly as under:
  - a) Overall review of financial reporting process disclosure of information to ensure correct, complete and credible financial statements.
  - b) Review of quarterly/annual results and financial statements of the Company and Auditors' report before recommending the same to the Board of Directors.
  - c) Review of statement of management discussion & analysis of financial conditions, results of operation, review of directors' responsibility statements and changes in accounting policies and practices.

- d) Approval of related party transactions
- e) Recommending to the Board the appointment/re-appointment of Auditors and Internal Auditor, with their remuneration, terms of appointment;

#### Further Monitors

- Independence of Auditors
  - Performance of statutory and internal auditors,
  - Adequacy of internal control systems,
  - Adequacy of internal audit function,
  - Structure of internal audit organization,
  - Scope discussions with internal and Statutory auditors,
  - Review of internal auditors and statutory auditor's notes
  - Review of internal audit investigations findings, if any,
  - Weakness or failure of internal control systems, if any reported by Auditors.
- 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. To recommend/approve the appointment of Chief Financial Officer after assessing the qualifications, experience and background, etc. of the candidate to the Board;
- l. To invite the auditors and Key Managerial Personnel (KMP) (for hearing) while considering the Auditors Report at the Audit Committee Meeting;
- m. Reviewing of the financial statements, in particular, the investments made by the unlisted subsidiary
- n. Any other function as may be specifically entrusted to by the Board.
- iii. The Audit Committee charter has vested with the Committee the following powers for its effective functioning:
1. To call for the information on comments/observation of the auditors about internal control systems, review of financial statement before their submission to the Board.

2. Scope of Audits
  3. To discuss any related issues with the internal and statutory auditors and the management of the company.
  4. To investigate any activity within its terms of reference.
  5. To seek information from the management, auditors, internal auditors and employees of the company.
  6. To obtain outside legal or expert advice and to engage experts from outside.
- iv. The Audit Committee invites executives, representatives of the Statutory Auditors, Internal Auditors to be present at its meetings. The Audit Committee also holds independent discussions with Auditors/Internal Auditors. The Company Secretary act as the secretary to the audit committee.
- v. The Chairperson of the Committee is an Independent Director and was present at the last AGM held on September 7, 2015. All the members have accounting and financial management expertise.
- vi. During the fiscal year 2015-2016, five meetings of the Audit Committee were held and the gap between two meetings did not exceed one hundred and twenty days. The dates on which the said meetings were held are as follows:  
May 18; August 12; August 14; November 6; and February 10.  
The necessary quorum was present for all the meetings.
- vii. The composition of Audit Committee and the details of meetings attended by its members are given below.

Name of the Member	Category <sup>#</sup>	No. of meetings attended (Held -5)
Mr. Kailash M. Rustagi, Chairman	ID	5
Dr. Vivek Mansingh	ID	4
Mr. Srinath Batni	ID	4
Mr. Pradeep Dadlani	ID	5
Mr. Kedarnath Choudhury	NED	5

<sup>#</sup> ID – Independent Director; NED – Non Executive Director

#### B. NOMINATION AND REMUNERATION COMMITTEE

- i. The constitution of the Committee is in conformity with the provisions of Section 178 of Companies Act 2013.
- ii. The terms of reference of the Nomination and Remuneration Committee are as under:  
The Committee is primarily responsible to oversee nomination process for appointments of Directors and Executive management and key managerial personnel and

for 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 as Director, senior management personnel in accordance with the laid down criteria. 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 Remuneration Policy;
  - vi. Evaluating the performance of the Director and recommend their appointment or removal to the Board.
- iii. During the FY 2015-16 three meetings of Nomination & Remuneration Committee were held on June 5, August 12, and August 14.
  - iv. The Chairman of the Committee is an Independent Director and was present at the last AGM held on September 7, 2015.
  - v. The composition of the nomination and remuneration committee and the details of meetings attended by its members are given below:

Name of the Member	Category#	No. of meetings attended (Held -3)
Mr. Srinath Batni, Chairman	ID	3
Mr. Pradeep Dadlani	ID	3
Mr. Kedarnath Choudhury	NED	3
Mr. Amit Gupta	NED	2

# ID – Independent Director, NED – Non Executive Director

#### EVALUATION OF PERFORMANCE OF DIRECTOR/BOARD

The Board has adopted a formal mechanism for evaluating its performance as well as that of its committees and Directors including Independent Director and Chairman of the Board. The Board work with Nomination & Remuneration Committee to lay down the evaluation criteria for the performance of executive/non-executive/independent directors through peer evaluation. The policy envisages evaluation process to be undertaken generally once at the end of the year if otherwise not.

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

#### Key Criteria for evaluation of a Director

1. The ability to contribute to the compliance of corporate governance practices.

2. The ability to analyse the controls, risks, operations and to channelize the same for its effective flow down the organization.
3. Recognition and fulfillment of their roles and responsibilities.
4. Commitment to the fulfillment of director's obligations and fiduciary responsibilities including participation in Board and committee meetings.

#### 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 Regulation 19 of the SEBI (LODR), Regulations, 2015 (formerly clause 49 of the Listing Agreement), the Nomination and Remuneration Committee has formulated the policy on nomination and remuneration of Directors, Key Managerial Personnel & Senior Management and the same is approved by the Board of Directors from time to time.

The Policy aims to ensure the Compensation levels. Fixed and Variable mix are adequately balanced in line with the best market practices, to attract and retain the best talent , to encourage achieve excellence in the organization , which helps the company to meet its Strategic ,Short term and Long term objectives of the Company.

With the above objectives the policy was formulated by the Nomination and Remuneration Committee.

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.

#### (i) 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 is not 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.

#### (ii) 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) Benefits, 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 & KMP as per the applicable and Statutory regulations and approvals.

### (iii) Remuneration to other employees

The employees shall be assigned grades according to their Role, Qualifications, competencies, Expertise and remuneration levels are in line with the Industry. An individual employee will have enough growth opportunities in the organization .

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

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

### Remuneration to Non-Executive Directors

The Independent Directors are paid a sitting fee of ₹ 1,00,000/- each for every Board/Committee meeting attended by them and other non-executive directors are entitled to a sitting fee of ₹ 30,000/- for every Board/Committee Meeting attended by them w.e.f. June 5, 2015. Till then all the Independent Directors were entitled to a sitting fee of ₹ 50,000/- and the Non-Executive Directors were entitled to a sitting fee of ₹ 20,000/- for every Board/ 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.

Details of the sitting fees for the year ended March 31, 2016 are as follows:

Sl. No.	Name	Category#	Amount in ₹
1	Dr. Vivek Mansingh	ID	13,50,000
2	Mr. Kailash M. Rustagi	ID	18,00,000
3	Mr. Pradeep Dadlani	ID	16,50,000
4	Mr. Srinath Batni	ID	17,00,000
5	Mr. Rohitasava Chand	NED	3,90,000
6	Mr. Kedarnath Choudhury	NED	4,10,000
7	Mr. Amit Gupta	NED	1,80,000
8	Mrs. Vimmi Mittal Trehan	ID	6,00,000
	<b>Total</b>		<b>80,80,000</b>

# ID – Independent Director, NED- Non Executive Director

### Remuneration to Executive Directors

Name of the Director	Fixed Salary			Performance linked Variable pay	Total	Service Contract
	Salary	Perquisites	Retiral Benefits			
Mr. Sudhakar Gande	94,75,806	6,85,016	11,37,097	50,00,000	1,62,97,919	5 years w.e.f. August 14, 2015
Mr. S. Valmeekeanathan	90,00,000	39,600	10,80,000	33,00,000	1,34,19,600	3 years w.e.f. February 25, 2014
Mr. Kaushik Sarkar*	13,41,370	9,222	1,60,964	5,22,441	20,33,997	NA

Note: On accrual basis

\* For the period April 1, 2015 to June 24, 2015

Performance linked variable pay is computed/disbursed on the basis of achievement of set objectives linked to the company's performance.

Notice Period – Three months

There is no separate provision for payment of severance fees.

None of the directors were granted any stock options of the Company during the year ended March 31, 2016.

None of the director hold shares in the Company. The Company has not issued any convertible debentures.

### C. STAKEHOLDER'S RELATIONSHIP COMMITTEE

- i. The constitution of the Committee is in conformity with the provisions of Section 178 of Companies Act, 2013.
- ii. During the year FY 2015-16, three meetings were held on May 18, August 12 and November 6.

- iii. The composition of the stakeholder & relationship committee and the details of meetings attended by its members are given below:

Name of the Member	Category#	No. of meetings attended (Held -3)
Mr. Pradeep Dadlani, Chairman	ID	3
Mr. Srinath Batni	ID	2
Mr. Kailash M. Rustagi	ID	3
Mr. Rohitasava Chand	NED	3

# ID – Independent Director, NED – Non Executive Director

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

- v. Details of investor complaints received and redressed during the 2015-2016 are as follows:

Opening Balance	Received during the year	Resolved during the year	Closing Balance
NIL	1	1	NIL

#### D. OTHER COMMITTEES:

- i. **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. One meeting was held during the year on February 10, 2016.

ii. **MERGER & ACQUISITION EVALUATION [(M&A) COMMITTEE]**

The Board of Directors constituted the M&A Committee to evaluate various proposals for merger & acquisition for the inorganic growth of the Company. This committee was constituted on June 5, 2015.

#### IV. GENERAL BODY MEETINGS

- i. The following is the summary of the Annual General Meetings (AGM) of the Company held during the last three years:

Financial Year ended	Date and time	Venue of the meeting	Special Resolutions passed
March 31, 2013	July 29, 2013; 11.30 a.m.	Lakshmipat 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.1 <sup>st</sup> April 2014 for 3 years.
March 31, 2014	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"> <li>Approval of appointment/remuneration of Mr. S. Valmeekanathan as Director and CEO.</li> <li>Authority to the Board to exercise Borrowing powers.</li> <li>Authority to the Board to create mortgage or charge on the Assets of the Company</li> <li>Approval of Related Party Transactions</li> </ol>
March 31, 2015	September 7, 2015; 10.30 a.m.	Air Force Auditorium, Subroto Park, New Delhi 110010	Approval of appointment/remuneration of Mr. Sudhakar Gande as Vice Chairman & Executive Director

- ii. Postal Ballot

During the fiscal year 2015-16 one special resolution was passed through postal ballot w.r.t. change in the Registered Office of the Company.

Special Resolutions	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	1,66,52,991	100%	06	0%	May 19, 2015

After March 31, 2016 one special resolution was passed through postal ballot for approving the Scheme of Amalgamation. The details of results are as under:

Special Resolutions	Votes cast in favour		Votes cast against		Date of declaration of results
	Number of votes cast	% to the paid-up capital	Number of votes cast	%	
Approving the Scheme of Amalgamation between India Aviation Training Institute Private Limited (Transferor Company) with AXISCADES Engineering Technologies Limited (Transferee Company) and their respective shareholders and creditors (The Scheme)	16,86,730	6.20%	240	0%	April 25, 2016

The Company successfully completed the process of obtaining approval of its shareholders for special resolution on the items detailed above through postal ballot. Mr. Anant Khamankar of M/s Anant B Khamankar & Co., Company Secretaries, was appointed as the scrutinizer for carrying out the postal ballot process in a fair and transparent manner.

#### Procedure of Postal Ballot

In compliance with Clause 35B of the Listing Agreement, read along with Regulation 44 of SEBI (LODR) Regulations, 2015 and Section 108,110 and other applicable provisions of the Companies Act, 2013 read with the related Rules, the Company provides electronic voting facility to

all its members, to enable them to cast their votes electronically. The Company engages the services of Karvy Computershare Private Limited for the purpose of providing e-voting facility to all its members. The members have the option to vote either by physical ballot or e-voting.

The Company dispatches the postal ballot notices and forms along with the postage prepaid business reply envelope to its members whose names appear on the register to members/list of beneficiaries as on the cut-off date. The postal ballot notice is sent to members in electronic form to the email address registered with their depository participants (in case of electronic shareholding)/the Company's registrar and share transfer agents (in case of physical shareholding). The Company also publishes a notice in the newspaper declaring the details of the completion of dispatch and other requirements as mandated under the Act and applicable Rules.

Voting rights are reckoned on the paid up value of the shares registered in the names of the members as on the cut-off date. Members desiring to exercise their votes by physical postal ballot forms are requested to return the forms duly completed and signed, to the scrutinizer on or before the close of voting period. Members desiring to exercise their votes by electronic mode are requested to vote before close of business hours on the last date of e-voting.

The scrutinizer submits his report to the Chairman, after the completion of scrutiny, and the consolidated results of the voting by postal ballot are then announced by the Chairman/Authorized Officer. The results are also displayed on the website of the Company, [www.axiscades.com](http://www.axiscades.com) and registrar and share transfer agent besides being communicated to the Stock Exchanges. The date of declaration of the results by the Company is deemed to be the date of passing of the resolutions. The same was also posted at the Registered Office of the Company.

None of the businesses proposed to be transacted in the ensuing AGM require the passing of a special resolution by way of postal ballot.

## V. DISCLOSURES

### i. Related Party Transactions

All the related party transactions that were entered into during the financial year were on arm's length basis and were in the ordinary course of business.

There are no materially significant related party transactions which have potential conflict with the interests of the Company at large. The details of material related party transactions are filed with the stock exchanges on quarterly basis. Related party transactions are reported in Notes to the financial statements of the Company.

The Board has approved a policy for related party transactions and the same is hosted on the website of the Company at the following link- [http://www.axiscades.com/investors\\_data/corp\\_gov\\_report/ACET\\_RTP\\_Policy.pdf](http://www.axiscades.com/investors_data/corp_gov_report/ACET_RTP_Policy.pdf)

### ii. Details of non-compliance

No penalty has been imposed by the Stock Exchanges or the board or any statutory authority, nor there was any instance of noncompliance on matter relating to capital market, over the last three years.

### iii. The Company has adopted an Ombuds process which is a channel for receiving and redressing complaints of directors and employees. All the employee and Directors have communication access to the Audit Committee. The said policy has been also put up on the website of the Company at the following link-[http://www.axiscades.com/investors\\_data/corp\\_gov\\_report/ACET\\_Whistle\\_Blower\\_Policy.pdf](http://www.axiscades.com/investors_data/corp_gov_report/ACET_Whistle_Blower_Policy.pdf)

### iv. The Company has complied with all mandatory requirements. In its endeavor to comply with the discretionary requirements the Company has fulfilled the following non-mandatory requirements as specified in Part E of Schedule II of SEBI (LODR) Regulations, 2015:

The posts 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.

Website communication channels using the internet are also used for communicating with our investors. The announcement of quarterly results are posted on the company's website, [www.axiscades.com](http://www.axiscades.com).

### v. Disclosure of compliance

The Company complies with the corporate governance requirements specified in Regulation 17 to 27 & Clause(b) to (i) of sub-regulation (2) of regulation 46 of the SEBI (LODR), Regulations 2015.

### vi. 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](http://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.

### vii. 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 May 15, 2015 the Company has formulated a Code of conduct to regulate, monitor and report trading by its employees, directors and other connected persons. The said code is posted and is accessible on the website of the Company at [www.axiscades.com](http://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](http://www.axiscades.com).

## VI. SUBSIDIARY COMPANIES

The Audit Committee reviews the consolidated financial statements of the Company and the investments made by its unlisted subsidiary companies. The minutes of the board meetings along with the report on significant developments of the unlisted subsidiary companies are placed before the board of the Company.

The Company has one material subsidiary incorporated outside India.

The Company has a policy for determining 'material subsidiaries' which is disclosed on its website at the following link-[http://www.axiscades.com/investors\\_data/corp\\_gov\\_report/ACET\\_Material\\_Subsidary\\_Policy.pdf](http://www.axiscades.com/investors_data/corp_gov_report/ACET_Material_Subsidary_Policy.pdf)

## VII. MEANS OF COMMUNICATION

The quarterly results, half yearly result and annual results of the Company are published in leading newspaper such as Economic Times, Navbharat Times & Vijay Karnataka. The results are also displayed on the Company's website [www.axiscades.com](http://www.axiscades.com). Press notes / releases and all other announcement and Notices are posted promptly on the Website of the Company in addition to Stock Exchanges communication.

## VIII. GENERAL SHAREHOLDER INFORMATION

### i. Annual General Meeting

Date : September 26, 2016  
 Time: : 11:00 a.m.  
 Venue: : Sathya Sai Samskruta Sadanam  
 No. 20, Hosur Road,  
 Bengaluru- 560 029 Karnataka, India

### ii. Financial Calendar

Financial Year : April 1 to March 31 (2015-2016)  
 Dividend Payment : NA

### iii. Listing on Stock Exchanges

: BSE Limited (BSE)  
 P.J. Towers, Dalal Street,  
 Fort, Mumbai – 400001  
 : National Stock Exchange of India Ltd. (NSE)  
 Exchange Plaza, Bandra – Kurla Complex  
 Bandra (East ), Mumbai, 400051

### iii. Stock Code/Symbol

BSE : 532395  
 NSE : AXISCADES

The Listing fees for the fiscal year 2016-2017 as applicable have been paid to all the above Stock Exchanges.

### iv. Dematerialisation of Equity Shares

Equity shares of the Company representing 99.83% of the Company's equity share capital are dematerialized as on March 31, 2016.

Under the depository system, the International Securities Identification Number (ISIN) allotted to the Company's share is INE555B01013.

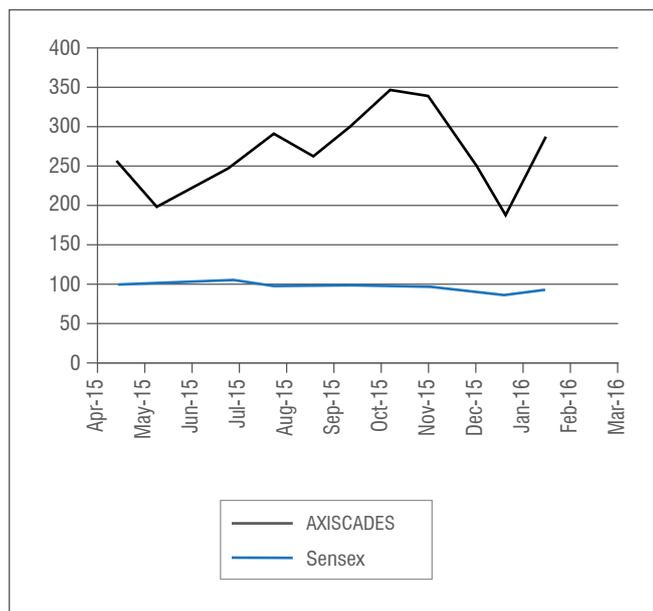
### v. The Company has not issued any GDRs/ADRs/Warrants or any convertible instruments in the past and hence as on March 31, 2016 the Company does not have any outstanding GDRs/ADRs/Warrants or any convertible instruments.

### vi. Market Price Data

Monthly High, low market price data in the year 2015-2016 on the National Stock Exchange of India Limited (NSE) and BSE Limited are given below:

Month	National Stock Exchange (NSE)		BSE Limited	
	High	Low	High	Low
April	396.20	225.25	395.50	225.10
May	266.80	179.60	265.90	180.20
June	237.80	174.50	237.00	174.10
July	283.80	226.00	283.80	226.50
August	344.90	240.10	350.00	243.10
September	298.50	251.00	298.00	251.50
October	323.75	267.00	324.00	267.50
November	368.80	291.50	370.00	293.00
December	352.95	291.50	352.90	291.00
January	341.85	224.80	342.00	225.50
February	277.00	186.00	277.40	185.90
March	296.00	188.25	296.10	190.80

## vii. Performance of the Company vis-à-vis Market Indices



## viii. Registrar and Transfer Agent

Name and Address : 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](mailto:einward.ris@karvy.com)

## ix. Share transfer System:

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

A certificate from a Practicing Company Secretary pursuant to Clause 47( c ) of the Listing Agreement and Regulation 40(9) of the SEBI (LODR) Regulations, 2015, to the effect that all the transfers have been effected within 15 or 30 days respectively 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.

## x. Shareholding as on March 31, 2016:

## a. Distribution of equity shareholding as on March 31, 2016:

No. of Shares	Holding	% to Capital	No. of accounts	% to total accounts
1-5000	18,33,350	6.74	12,425	93.37
5001-10000	5,41,643	1.99	352	2.64
10001-20000	6,78,984	2.50	234	1.76
20001-30000	4,25,311	1.56	84	0.63
30001-40000	2,76,533	1.02	39	0.29
40001-50000	3,82,479	1.41	41	0.31
50001-100000	7,99,510	2.94	54	0.41
100001 and above	2,22,51,783	81.84	78	0.59
Grand Total	27,189,593	100.00	13307	100.00

## b. Categories of equity shareholders as on March 31, 2016:

Category	No. of shares	Percentage
Promoters Group – Indian	1,60,74,514	59.12%
Indian Public	75,84,583	27.53%
Bodies Corporate	24,20,416	08.90%
NRIs/ OCBs/ Foreign Nationals/FIIs	8,91,954	03.28%
Others	2,18,126	01.17%
Total	2,71,89,593	100.00%

## xi. CEO/CFO certification

The certificate duly signed by a Director and CEO and CFO of the Company as required under Regulation 17(8) of SEBI (LODR) Regulations, 2015 is attached to this Report.

## xii. Auditors' Certificate

Auditors' certificate on compliance of conditions of corporate governance under SEBI (LODR) Regulations, 2015 is attached.

## xiii. Foreign Exchange Risk and Hedging

The Company has a policy on Foreign Exchange Risk Management. The Board periodically reviews foreign exchange exposure and forward contract outstanding and future hedging requirements.

**xiv. Plant locations:** The Company is engaged in the business of providing engineering solutions and does not have any manufacturing plants.

## xv. Registered Office &amp; Address for correspondence:

Block C, Second Floor, Kirloskar Business Park,  
Bengaluru - 560 024, Karnataka

Other locations of offices of the Company are available at the Company's website [www.axiscades.com](http://www.axiscades.com)

For and on behalf of the Directors

Sd/-  
Place: Bengaluru  
Date: June 16, 2016

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

Sd/-  
**Kedarnath Choudhury**  
Director



**AXISCADES**  
Inspired Solutions. By Design

**AXISCADES ENGINEERING TECHNOLOGIES LIMITED**  
(formerly known as Axis-IT&T Limited)

# 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 Regulation 17(5) of the SEBI (LODR) Regulations, 2015, 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 2016.

Sd/-

**Valmeekanathan S.**

Chief Executive Officer

**AXISCADES Engineering Technologies Limited**

## (CEO/CFO certificate)

To

The Board of Directors

**AXISCADES Engineering Technologies Limited**

Dear Sirs,

Certification under Regulation 17 of the listing Regulations for financial year ended 31st March 2016

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

- (a) We have reviewed the financial statements and the cash flow statement for the year ended 31st March, 2016 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 quarter/half year/year 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 in the design or operation of such internal controls, if any, of which we are aware 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 quarter/half year/year;
- ii. significant changes, if any, in accounting policies during the quarter/half year/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: April 16, 2016



**AXISCADES**  
Inspired Solutions. By Design

**AXISCADES ENGINEERING TECHNOLOGIES LIMITED**  
(formerly known as Axis-IT&T Limited)

## **Auditors' Certificate on compliance with the conditions of Corporate Governance under Clause 49 of the Listing Agreement and relevant provisions of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015**

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 2016 as stipulated in Clause 49 of the Listing Agreement of the said Company with the stock exchanges for the period 1 April 2015 to 30 November 2015 and as per the relevant provisions of the Securities and Exchange Board of India ((Listing Obligation and Disclosure Requirements) ('Listing Regulations') Regulations, 2015 as referred to in Regulation 15(2) of the Listing Regulations for the period 1 December 2015 to 31 March 2016.

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/Listing Regulations, as applicable.

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

For **Walker Chandiok & Co LLP**

(Formerly Walker, Chandiok & Co)

Chartered Accountants

Firm Registration No.: 001076N/N500013

Sd/-

per **Aasheesh Arjun Singh**

Partner

Membership No.: 210122

Bengaluru

16 June 2016

# *Standalone Financial Statements*

# Independent Auditor's 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 2016, 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 Standalone 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.

### Auditor's 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. 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.

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 2016, 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, 2016 ("the Order") issued by the Central Government of India in terms of Section 143(11) of the Act, we give in the Annexure I a statement on the matters specified in paragraphs 3 and 4 of the Order.
10. Further to our comments in Annexure I, 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);

## Independent Auditor's Report (Cont'd)

- e. on the basis of the written representations received from the directors as on 31 March 2016 and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2016 from being appointed as a director in terms of Section 164(2) of the Act;
- f. we have also audited the internal financial controls over financial reporting (IFCoFR) of the Company as of 31 March 2016 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date and our report dated 30 May 2016 as per Annexure II expressed an unmodified opinion; and
- g. 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 Chandiok & Co LLP**  
(Formerly Walker, Chandiok & Co)  
Chartered Accountants  
Firm's Registration No.: 001076N/N500013

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

New Delhi  
30 May 2016

### Annexure I

#### Annexure I to the Independent Auditor's Report of even date to the members of AXISCADES Engineering Technologies Limited, on the standalone financial statements for the year ended 31 March 2016

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.
- (c) The title deeds of all the immovable properties are held in the name of the Company.
- (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 extended an unsecured Inter Corporate Deposit (ICD) to a company covered in the register maintained under Section 189 of the Act; and with respect to the same:
- (a) in our opinion the terms and conditions of grant of such loans are not, prima facie, prejudicial to the Company's interest;
- (b) the schedule of repayment of principal and payment of interest has been stipulated and the principal amount is not due for repayment currently, however, the receipt of the interest is regular;
- (c) there is no overdue amount in respect of ICD extended to such company.
- (iv) In our opinion, the Company has complied with the provisions of Sections 185 and 186 of the Act in respect of loans, investments, guarantees, and security.
- (v) In our opinion, 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) 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, service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues, as applicable,

have generally been regularly deposited to the appropriate authorities, though there has been a slight delay in a few cases. Further, no undisputed amounts payable in respect thereof were outstanding at the year-end for a period of more than six months from the date they became payable.

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

#### Statement of Disputed Dues

Name of the statute	Nature of dues	Amount (₹)	Amount paid under Protest (₹)	Period to which the amount relates	Forum where dispute is pending
Finance Act, 1994	Service tax on import of services	94,857,196	7,818,233	April 2006 to September 2010	CESTAT, Bangalore

- (viii) The Company has not defaulted in repayment of loans or borrowings to any bank. There are no loans or borrowings payable to financial institutions or government and no dues payable to debenture-holders during the year.
- (ix) The Company did not raise moneys by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Accordingly, the provisions of clause 3(ix) of the Order are not applicable.
- (x) No fraud by the Company or on the Company by its officers or employees has been noticed or reported during the period covered by our audit.
- (xi) Managerial remuneration has been paid and provided in accordance with the requisite approvals mandated by the provisions of Section 197 of the Act read with Schedule V to the Act.
- (xii) In our opinion, the Company is not a Nidhi Company. Accordingly, clause 3(xii) of the Order is not applicable.
- (xiii) In our opinion all transactions with the related parties are in compliance with Sections 177 and 188 of Act, where applicable, and the requisite details have been disclosed in the standalone financial statements etc., as required by the applicable accounting standards.

- (xiv) During the year, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures.

- (xv) In our opinion, the Company has not entered into any non-cash transactions with directors or persons connected with them covered under Section 192 of the Act.

- (xvi) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.

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

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

New Delhi  
 30 May 2016

**Annexure II****Independent Auditor's report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

1. In conjunction with our audit of the standalone financial statements of AXISCADES Engineering Technologies Limited ("the Company") as of and for the year ended 31 March 2016, we have audited the internal financial controls over financial reporting (IFCoFR) of the Company of as of that date.

**Management's Responsibility for Internal Financial Controls**

2. The Company's Board of Directors is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of the Company's business, including adherence to 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 information, as required under the Act.

**Auditors' Responsibility**

3. Our responsibility is to express an opinion on the Company's IFCoFR based on our audit. We conducted our audit in accordance with the Standards on Auditing, issued by the ICAI and deemed to be prescribed under Section 143(10) of the Act, to the extent applicable to an audit of IFCoFR, and the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate IFCoFR were established and maintained and if such controls operated effectively in all material respects.
4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the IFCoFR and their operating effectiveness. Our audit of IFCoFR included obtaining an understanding of IFCoFR, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.
5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's IFCoFR.

**Meaning of Internal Financial Controls over Financial Reporting**

6. A company's IFCoFR is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's IFCoFR includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

**Inherent Limitations of Internal Financial Controls over Financial Reporting**

7. Because of the inherent limitations of IFCoFR, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the IFCoFR to future periods are subject to the risk that IFCoFR may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

**Opinion**

8. In our opinion, the Company has, in all material respects, adequate internal financial controls over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **Walker Chandiok & Co LLP***(Formerly Walker, Chandiok & Co)*

Chartered Accountants

Firm's Registration No.: 001076N/N500013

Sd/-

per **Aasheesh Arjun Singh**

Partner

Membership No.: 210122

New Delhi

30 May 2016

# Balance Sheet

	Note	As at 31 March 2016	(In ₹) As at 31 March 2015
<b>EQUITY AND LIABILITIES</b>			
<b>SHAREHOLDERS' FUNDS</b>			
Share capital	3	136,101,265	136,101,265
Reserves and surplus	4	1,019,915,817	744,763,767
		<b>1,156,017,082</b>	<b>880,865,032</b>
<b>NON-CURRENT LIABILITIES</b>			
Long-term borrowings	5	-	9,500,000
Long-term provisions	6	44,647,586	40,191,663
		<b>44,647,586</b>	<b>49,691,663</b>
<b>CURRENT LIABILITIES</b>			
Short-term borrowings	5	244,037,295	245,873,701
Trade payables	8	-	-
Total outstanding dues of micro enterprises and small enterprises		-	-
Total outstanding dues of creditors other than micro enterprises and small enterprises		168,164,265	106,056,642
Other current liabilities	9	209,629,103	108,122,659
Short-term provisions	6	6,333,631	3,317,144
		<b>628,164,294</b>	<b>463,370,146</b>
<b>TOTAL</b>		<b>1,828,828,962</b>	<b>1,393,926,841</b>
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
Fixed assets			
Tangible assets	10 A	75,283,678	46,574,863
Intangible assets	10 B	133,940,432	182,031,457
Intangible assets under development	10 C	11,163,459	-
Non-current investments	11	225,150,526	225,150,526
Deferred tax assets, net	12	21,245,303	22,328,798
Long-term loans and advances	13	215,629,947	118,749,383
Other non-current assets	14	16,354,290	6,317,325
		<b>698,767,635</b>	<b>601,152,352</b>
<b>CURRENT ASSETS</b>			
Trade receivables	15	617,349,281	383,887,300
Cash and bank balances	16	121,687,006	107,293,981
Short-term loans and advances	13	65,536,689	59,961,265
Other current assets	14	325,488,351	241,631,943
		<b>1,130,061,327</b>	<b>792,774,489</b>
<b>TOTAL</b>		<b>1,828,828,962</b>	<b>1,393,926,841</b>

Summary of significant accounting policies and other explanatory information 1-35

Notes forms an integral part of these financial statements.

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

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

For and on behalf of the Board of Directors of **AXISCADES**  
**Engineering Technologies Limited**

Sd/-  
**Valmeekanathan S.**  
 Chief Executive Officer and Director  
 DIN: 05297798

Sd/-  
**Kedarnath Choudhury**  
 Director  
 DIN: 01519514

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

Sd/-  
**Kaushik Sarkar**  
 Chief Financial Officer

Sd/-  
**Shweta Agrawal**  
 Company Secretary  
 Membership no.: 14148

New Delhi  
 30 May 2016

Bengaluru  
 30 May 2016

Bengaluru  
 30 May 2016

# Statement of Profit and Loss

(In ₹)

	Note	Year ended 31 March 2016	Year ended 31 March 2015
<b>INCOME</b>			
Revenue from operations	17	2,350,396,735	1,884,475,623
Other income	18	29,605,493	11,236,294
<b>TOTAL REVENUE</b>		<b>2,380,002,228</b>	<b>1,895,711,917</b>
<b>EXPENSES</b>			
Employee benefits expense	19	1,223,141,509	1,045,199,577
Depreciation and amortisation expense	20	92,458,378	80,435,987
Finance costs	21	17,854,136	23,028,814
Other expenses	22	644,825,597	545,249,721
<b>TOTAL EXPENSES</b>		<b>1,978,279,620</b>	<b>1,693,914,099</b>
<b>PROFIT BEFORE EXCEPTIONAL ITEMS AND TAX</b>		<b>401,722,608</b>	<b>201,797,818</b>
Exceptional items	23	5,928,000	29,708,236
<b>PROFIT BEFORE TAX</b>		<b>395,794,608</b>	<b>172,089,582</b>
Tax expense:			
- Current tax (net of reversal of excess tax provision of prior year ₹ 4,331,703 (2015: ₹ Nil))		131,910,100	48,636,780
- Deferred tax		1,083,695	10,215,456
<b>NET PROFIT FOR THE YEAR</b>		<b>262,800,813</b>	<b>113,237,346</b>
<b>Earnings per equity share:</b>	24		
- Basic		9.67	4.49
- Diluted		9.67	4.49
Nominal value per share		5.00	5.00

Summary of significant accounting policies and other explanatory information

1-35

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

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

New Delhi  
30 May 2016

For and on behalf of the Board of Directors of **AXISCADES  
Engineering Technologies Limited**

Sd/-  
**Valmeekanathan S.**  
Chief Executive Officer and Director  
DIN: 05297798

Sd/-  
**Kaushik Sarkar**  
Chief Financial Officer

Bengaluru  
30 May 2016

Sd/-  
**Kedarnath Choudhury**  
Director  
DIN: 01519514

Sd/-  
**Shweta Agrawal**  
Company Secretary  
Membership no.: 14148

Bengaluru  
30 May 2016

# Cash Flow Statement

	Year ended 31 March 2016	Year ended 31 March 2015
(In ₹)		
<b>A Cash flow from operating activities</b>		
Profit before tax	395,794,608	172,089,582
Adjustment for:		
Depreciation and amortisation expense	92,458,378	80,435,987
Unrealised foreign exchange (gain)/ loss	(9,550,620)	2,275,807
Finance costs	17,854,136	23,028,814
Provision for gratuity and compensated absences	13,664,825	11,474,030
Provision for doubtful debts and unbilled revenue	-	3,677,987
Bad debts written off	684,096	-
Provision for diminution in value of long-term investment	-	7,413,658
Provision no longer required, written back	(2,267,977)	(3,522,007)
Interest income	(6,703,944)	(4,560,281)
<b>Operating profit before working capital changes</b>	<b>501,933,502</b>	<b>292,313,577</b>
<b>Movements in working capital</b>		
(Increase) / decrease in trade receivables	(241,391,459)	46,803,556
Increase in other current assets	(63,986,466)	(114,603,213)
(Increase) / decrease in loans and advances	(5,387,473)	37,184,752
Increase / (decrease) in current liabilities	172,690,131	(53,749,456)
(Decrease) / increase in provisions	(6,192,615)	2,830,361
<b>Cash from operating activities</b>	<b>357,665,620</b>	<b>210,779,577</b>
Direct taxes paid (Net of refunds)	(94,118,026)	(33,692,763)
<b>Net cash from operating activities (A)</b>	<b>263,547,594</b>	<b>177,086,814</b>
<b>B Cash flow from investing activities</b>		
Purchase of fixed assets	(77,934,740)	(40,453,491)
Interest received	3,836,638	4,342,234
(Investments in) / realisation from fixed deposits, net	(3,439,609)	11,043,099
Intercompany deposit	(137,500,000)	-
<b>Net cash used in investment activities (B)</b>	<b>(215,037,711)</b>	<b>(25,068,158)</b>
<b>C Cash flow from financing activities</b>		
Repayments of intercompany deposits, net	-	(7,707,895)
(Repayments of) / proceeds from working capital loans, net	(13,380,181)	57,783,099
Proceeds from buyer's credit from bank	9,498,914	-
Proceeds from term loan from bank	-	15,000,000
Repayments of term loan from bank	(15,000,000)	(135,000,000)
Finance costs paid	(15,214,726)	(23,028,814)
<b>Net cash used in financing activities (C)</b>	<b>(34,095,993)</b>	<b>(92,953,610)</b>
<b>Net increase in cash and cash equivalents (A+B+C)</b>	<b>14,413,890</b>	<b>59,065,046</b>
Cash and cash equivalents as at beginning of the year	79,543,822	20,478,776
Cash and cash equivalents as at end of the year	<b>93,957,712</b>	<b>79,543,822</b>
<b>Components of cash and cash equivalents</b>		
Cash and bank balances (Also, refer note 16)	121,687,006	107,293,981
Less: Margin money deposits considered separately	(27,729,294)	(27,750,159)
	<b>93,957,712</b>	<b>79,543,822</b>

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

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

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

New Delhi  
 30 May 2016

For and on behalf of the Board of Directors of **AXISCADES**  
**Engineering Technologies Limited**

Sd/-  
**Valmeekanathan S.**  
 Chief Executive Officer and Director  
 DIN: 05297798

Sd/-  
**Kaushik Sarkar**  
 Chief Financial Officer

Bengaluru  
 30 May 2016

Sd/-  
**Kedarnath Choudhury**  
 Director  
 DIN: 01519514

Sd/-  
**Shweta Agrawal**  
 Company Secretary  
 Membership no.: 14148

Bengaluru  
 30 May 2016

## Summary of Significant accounting policies and other explanatory information for the year ended 31 March 2016

### 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 1 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.

The Registered Office was changed To "Block C, Second Floor, Kirloskar Business Park, Bengaluru - 560024, Karnataka" from "A-264, Defence Colony, New Delhi - 110024" w.e.f. 2 December 2015.

### 2 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 Rule 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.

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

##### *Tangible*

Tangible assets are carried at 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.

## Summary of Significant accounting policies and other explanatory information for the year ended 31 March 2016 (*Cont'd*)

### 2 SIGNIFICANT ACCOUNTING POLICIES (*Cont'd*)

#### *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 intangible assets under development.

#### *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.

Intangible assets represent cost incurred for the creation of engineering and design manuals ('process manuals').

#### *Depreciation/amortisation*

Depreciation/amortisation is provided under the straight-line method over the estimated useful life of the assets. Depreciation/amortisation is calculated on a pro-rata basis from the date the asset is available to the Company for its use.

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

<b>Asset category</b>	<b>Useful lives (In years)</b>
Computers	3
Furniture and fixtures	7
Office equipment	7
Electrical installations	7
Office buildings	61
Vehicles	5
Software	3

Based on an 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 are depreciated over its lease period including renewable period or estimated useful 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 shorter.

## Summary of Significant accounting policies and other explanatory information for the year ended 31 March 2016 (*Cont'd*)

### 2 SIGNIFICANT ACCOUNTING POLICIES (*Cont'd*)

#### (e) Impairment of assets

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

#### (f) Investments

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

#### (g) Foreign currency transactions

##### *Initial recognition*

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

##### *Conversion*

Monetary items outstanding at the Balance Sheet date and denominated in foreign currencies are recorded at the exchange rate prevailing at the end of the financial 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 recognition 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.

## Summary of Significant accounting policies and other explanatory information for the year ended 31 March 2016 (*Cont'd*)

### 2 SIGNIFICANT ACCOUNTING POLICIES (*Cont'd*)

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 or has permanent employees. 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.

#### (j) Borrowing costs

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

#### (k) Leases

##### *Finance leases*

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

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

## Summary of Significant accounting policies and other explanatory information for the year ended 31 March 2016 (*Cont'd*)

### 2 SIGNIFICANT ACCOUNTING POLICIES (*Cont'd*)

#### *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.

Tax expense relating to foreign operations is determined in accordance with tax laws applicable in countries where such operations are domiciled. Tax expense relating to foreign operations shall be allowed as a deduction from the tax on such income in India, an amount equal to the income-tax paid in the foreign country, whether directly or by deduction as per treaties entered by Government of India with specific foreign countries to grant relief in certain cases.



## Summary of Significant accounting policies and other explanatory information for the year ended 31 March 2016 (*Cont'd*)

### 2 SIGNIFICANT ACCOUNTING POLICIES (*Cont'd*)

#### *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.

Advance taxes and provisions for current income taxes are presented in the Balance Sheet after off-setting advance tax paid and income tax provision arising in the same tax jurisdiction for relevant tax paying units and where the Company is able to and intends to settle the asset and liability on a net basis.

The Company offsets deferred tax assets and deferred tax liabilities if it has a legally enforceable right and these relate to taxes on income levied by the same governing taxation laws.

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

#### **(o) Cash and cash equivalents**

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

## Summary of Significant accounting policies and other explanatory information for the year ended 31 March 2016 (Cont'd)

### 3 SHARE CAPITAL

	As at 31 March 2016		As at 31 March 2015	
	Number	₹	Number	₹
<b>Authorised</b>				
Equity shares of ₹ 5 each	108,000,000	540,000,000	108,000,000	540,000,000
Preference shares of ₹ 100 each	100,000	10,000,000	100,000	10,000,000
	<b>108,100,000</b>	<b>550,000,000</b>	<b>108,100,000</b>	<b>550,000,000</b>
<b>Issued share capital</b>				
Equity shares of ₹ 5 each fully paid up	27,240,693	136,203,465	27,240,693	136,203,465
<b>Subscribed and paid up</b>				
Equity shares of ₹ 5 each fully paid	27,189,593	135,947,965	27,189,593	135,947,965
Add: Forfeited shares (amount originally paid ₹ 3 per share on 51,100 equity shares)	-	153,300	-	153,300
	<b>27,189,593</b>	<b>136,101,265</b>	<b>27,189,593</b>	<b>136,101,265</b>

#### (a) Reconciliation of the equity shares

	As at 31 March 2016		As at 31 March 2015	
	Number	₹	Number	₹
Balance at the beginning of the year	27,189,593	136,101,265	19,960,481	99,955,705
Add: Issued during the year (Refer note below)	-	-	7,229,112	36,145,560
<b>Balance at the end of the year</b>	<b>27,189,593</b>	<b>136,101,265</b>	<b>27,189,593</b>	<b>136,101,265</b>

Pursuant to the Scheme of Arrangement ("The Scheme") approved by the Hon'ble High Courts of Karnataka and Delhi, made effective on 24 March 2014, the shareholders of Cades Digitech Private Limited ('Cades', erstwhile subsidiary of the Company) were eligible to receive 10 equity shares of par value of ₹ 5 each fully paid up of Axis-IT&T Limited ('Axis') for every 12 equity shares held in Cades of par value of ₹ 10 each fully paid up ('Swap ratio'), the record date being 11 April 2014 as fixed by the Board of Directors of the Company. On 9 July 2014, the Board of Directors of the Company allotted 7,229,112 equity shares of Axis to the shareholders of Cades. The shares have been listed and available for trading with effect from 23 September 2014.

#### (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 2016		As at 31 March 2015	
	Number	₹	Number	₹
<b>Holding Company:</b>				
Jupiter Capital Private Limited	236,178	1,180,890	236,178	1,180,890
<b>Subsidiaries of Holding Company:</b>				
Tayana Digital Private Limited	12,142,100	60,710,500	12,142,100	60,710,500
Indian Aero Ventures Private Limited	3,696,236	18,481,180	3,696,236	18,481,180

## Summary of Significant accounting policies and other explanatory information for the year ended 31 March 2016 (Cont'd)

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

	As at 31 March 2016		As at 31 March 2015	
	Number	₹	Number	₹
(i) Tayana Digital Private Limited	12,142,100	60,710,500	12,142,100	60,710,500
(ii) Indian Aero Ventures Private Limited	3,696,236	18,481,180	3,696,236	18,481,180

### (e) In the period of five years immediately preceding the Balance Sheet date, the Company has not issued any bonus shares or has bought back any shares.

Details of shares allotted for consideration other than cash (within five years preceding the Balance Sheet date)

	2015-16	2014-15	2013-14	2012-13	2011-12
<b>Equity Shares:</b>					
Allotted as fully paid up under Scheme of Arrangement (Refer note 3 (a))	-	7,229,112	-	-	-

## 4 RESERVES AND SURPLUS

	As at 31 March 2016	As at 31 March 2015
	₹	₹
<b>a. Securities premium account</b>		
Balance at the beginning of the year	436,869,738	436,869,738
<b>Balance at the end of the year</b>	<b>436,869,738</b>	<b>436,869,738</b>
<b>b. Surplus in the Statement of Profit and Loss</b>		
Balance at the beginning of the year	311,947,270	198,709,924
Add: Transferred from Statement of Profit and Loss	262,800,813	113,237,346
<b>Balance at the end of the year</b>	<b>574,748,083</b>	<b>311,947,270</b>
<b>c. Hedge reserve</b>		
Balance at the beginning of the year	(4,053,241)	(750,687)
Movement during the year	12,351,237	(3,302,554)
<b>Balance at the end of the year</b>	<b>8,297,996</b>	<b>(4,053,241)</b>
<b>TOTAL</b>	<b>1,019,915,817</b>	<b>744,763,767</b>

## 5 BORROWINGS

	As at 31 March 2016		As at 31 March 2015	
	Long-Term ₹	Short-Term ₹	Long-Term ₹	Short-Term ₹
<b>Secured</b>				
Term loan	-	-	15,000,000	-
Less: Current maturities of long-term borrowings (Also, refer note 9)	-	-	(5,500,000)	-
	-	-	<b>9,500,000</b>	-
Buyer's credit	-	9,498,914	-	-
Working capital loans	-	234,538,381	-	245,873,701
<b>TOTAL</b>	-	<b>244,037,295</b>	<b>9,500,000</b>	<b>245,873,701</b>

### (a) Details of security for borrowings

Term loan from a bank is secured by exclusive charge on both movable and immovable assets of the Company and by first charge on land and building of the Company situated at D-30 Sector 3, Noida, UP.

## Summary of Significant accounting policies and other explanatory information for the year ended 31 March 2016 (Cont'd)

Working capital loans (inclusive of packing credit facility in foreign currency "PCFC") 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. Additionally, 10% cash margin in the form of fixed deposits lien to be maintained if PCFC availment exceeds ₹ 100 million.

Buyer's Credit from a bank is secured by exclusive charge on both movable and immovable assets of the Company; first charge on land and building of the Company situated at D-30 Sector 3, Noida, UP.

### (b) Terms of borrowings and rate of interest

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

Working capital loans consists of packing credit facility in foreign currency and bank overdraft. Packing credit in foreign currency from bank bearing an interest rate of 3% - 5% (31 March 2015: 3% - 6%) are repayable over a maximum tenure of 180 days from the date of respective availment. Bank overdraft bears an interest rate of 12.75 % p.a.

Buyer's credit is repayable on 5 August 2016 bearing an interest rate of 1.39% p.a.

## 6 PROVISIONS

	As at 31 March 2016		As at 31 March 2015	
	Long-Term ₹	Short-Term ₹	Long-Term ₹	Short-Term ₹
<b>Provision for employee benefits</b>				
Gratuity (Also, refer note 7(a) below)	27,192,587	1,123,693	22,928,629	625,029
Compensated absences	13,902,619	3,317,779	11,669,734	2,001,191
	<b>41,095,206</b>	<b>4,441,472</b>	<b>34,598,363</b>	<b>2,626,220</b>
<b>Other provisions</b>				
Fringe benefit tax, net of advance tax	-	-	-	82,281
Provision for lease payments	3,552,380	1,892,159	5,593,300	608,643
	3,552,380	1,892,159	5,593,300	690,924
	<b>44,647,586</b>	<b>6,333,631</b>	<b>40,191,663</b>	<b>3,317,144</b>

## 7 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 2016	Year ended 31 March 2015
	₹	₹
<b>Changes in the present value of the defined benefit obligation are as follows:</b>		
Defined benefit obligation at the beginning of the year	23,553,658	18,771,188
Current service cost	5,370,414	5,483,258
Past service cost	-	(572,925)
Interest cost	1,888,313	1,721,318
Benefits paid	(3,657,855)	(2,517,551)
Actuarial loss	1,161,750	668,370
Defined benefit obligation at the end of the year	<b>28,316,280</b>	<b>23,553,658</b>
<b>Components of net gratuity costs are:</b>		
Current service cost	5,370,414	5,483,258
Past service cost	-	(572,925)
Interest on defined benefit obligation	1,888,313	1,721,318

## Summary of Significant accounting policies and other explanatory information for the year ended 31 March 2016 (*Cont'd*)

Net actuarial loss recognised in year	1,161,750	668,370
Expenses recognised in the Statement of Profit and Loss for the year	<b>8,420,477</b>	<b>7,300,021</b>
<b>The principal assumptions used in determining gratuity and compensated absence obligations for the Company's plans are shown below:</b>		
Discount rate	7.90%	8.00%
Salary escalation rate	5.60%	5.60%
Retirement age	60 Years	60 Years

### Present value of unfunded obligations as at:

	31 March 2012	31 March 2013	31 March 2014	31 March 2015	31 March 2016
Experience adjustments	(343,681)	(540,471)	605,748	(559,131)	245,374
Net liability recognised in the Balance Sheet	4,790,949	7,038,172	18,771,188	23,553,658	28,316,280

### (b) Defined contribution plan

The Company makes contribution of statutory provident fund as per Employees Provident Fund and Miscellaneous Provision Act, 1952 for its Indian employees. This is a defined contribution plan as per AS 15. Contribution made during the year ended 31 March 2016 is ₹ 29,422,283 (31 March 2015: ₹ 24,308,361).

### (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 2016 is ₹ 75,632,645 (31 March 2015: ₹ 65,578,045).

The Company has no obligation beyond the contribution made under these plans referred to in (b) and (c) above.

## 8 TRADE PAYABLES

	As at 31 March 2016	As at 31 March 2015
	₹	₹
Total outstanding dues of micro enterprises and small enterprises (Refer note (a) below)	-	-
Dues to others*	168,164,265	106,056,642
	<b>168,164,265</b>	<b>106,056,642</b>

\* Includes dues to subsidiaries of ₹ 23,500,107 (31 March 2015: ₹ Nil) (Also, refer note 27)

(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 2016 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.

## 9 OTHER CURRENT LIABILITIES

	As at 31 March 2016	As at 31 March 2015
	₹	₹
Duties and taxes payable	79,397,322	30,012,430
Advance from customers	12,179,641	40,994,482
Dues to employees	107,258,793	23,074,046
Current maturities of long-term borrowings (Also, refer note 5)	-	5,500,000
Creditors for capital goods	10,793,347	4,488,460
Hedge liability	-	4,053,241
	<b>209,629,103</b>	<b>108,122,659</b>

## Summary of Significant accounting policies and other explanatory information for the year ended 31 March 2016 (Cont'd)

### 10A TANGIBLE ASSETS

(Amount in ₹)

	Free hold land	Computers	Furniture and fixtures	Office equipment	Electrical installations	Office building	Vehicles	Leasehold improvements	Total
<b>Gross block</b>									
Balance as at 1 April 2014	2,264,437	88,489,048	15,324,606	16,651,597	2,059,794	16,581,724	1,756,330	4,408,947	147,536,483
Additions	-	10,267,528	-	2,835,223	-	-	3,077,581	269,587	16,449,919
Deletions	-	-	(342,495)	(275,497)	-	-	-	-	(617,992)
<b>Balance as at 31 March 2015</b>	<b>2,264,437</b>	<b>98,756,576</b>	<b>14,982,111</b>	<b>19,211,323</b>	<b>2,059,794</b>	<b>16,581,724</b>	<b>4,833,911</b>	<b>4,678,534</b>	<b>163,368,410</b>
Additions for the year	-	43,542,241	535,633	2,300,563	-	-	5,266,311	-	51,644,748
<b>Balance as at 31 March 2016</b>	<b>2,264,437</b>	<b>142,298,817</b>	<b>15,517,744</b>	<b>21,511,886</b>	<b>2,059,794</b>	<b>16,581,724</b>	<b>10,100,222</b>	<b>4,678,534</b>	<b>215,013,158</b>
<b>Accumulated depreciation</b>									
Balance as at 1 April 2014	-	69,384,328	9,603,715	8,984,843	2,059,794	3,580,206	1,756,330	1,760,754	97,129,970
Charge for the year	-	14,631,541	1,688,723	1,998,801	-	270,282	374,369	784,460	19,748,176
Deletions	-	-	(76,833)	(7,766)	-	-	-	-	(84,599)
<b>Balance as at 31 March 2015</b>	<b>-</b>	<b>84,015,869</b>	<b>11,215,605</b>	<b>10,975,878</b>	<b>2,059,794</b>	<b>3,850,488</b>	<b>2,130,699</b>	<b>2,545,214</b>	<b>116,793,547</b>
Charge for the year	-	17,139,804	1,235,946	2,285,287	-	271,023	1,192,355	811,518	22,935,933
<b>Balance as at 31 March 2016</b>	<b>-</b>	<b>101,155,673</b>	<b>12,451,551</b>	<b>13,261,165</b>	<b>2,059,794</b>	<b>4,121,511</b>	<b>3,323,054</b>	<b>3,356,732</b>	<b>139,729,480</b>
<b>Net block</b>									
At 31 March 2015	2,264,437	14,740,707	3,766,506	8,235,445	-	12,731,236	2,703,212	2,133,320	46,574,863
At 31 March 2016	2,264,437	41,143,144	3,066,193	8,250,721	-	12,460,213	6,777,168	1,321,802	75,283,678

### 10B INTANGIBLE ASSETS

(Amount in ₹)

	Non-compete fee	Softwares	Process manuals	Goodwill	Total
<b>Gross block</b>					
Balance as at 1 April 2014	1,971,000	313,461,291	40,830,631	16,445,348	372,708,270
Additions	-	23,510,615	142,657,005	-	166,167,620
<b>Balance as at 31 March 2015</b>	<b>1,971,000</b>	<b>336,971,906</b>	<b>183,487,636</b>	<b>16,445,348</b>	<b>538,875,890</b>
Additions for the year	-	21,431,420	-	-	21,431,420
<b>Balance as at 31 March 2016</b>	<b>1,971,000</b>	<b>358,403,326</b>	<b>183,487,636</b>	<b>16,445,348</b>	<b>560,307,310</b>
<b>Accumulated amortisation</b>					
Balance as at 1 April 2014	1,971,000	274,542,028	3,198,246	16,445,348	296,156,622
Charge for the year	-	31,444,177	29,243,634	-	60,687,811
<b>Balance as at 31 March 2015</b>	<b>1,971,000</b>	<b>305,986,205</b>	<b>32,441,880</b>	<b>16,445,348</b>	<b>356,844,433</b>
Charge for the year	-	20,434,066	49,088,379	-	69,522,445
<b>Balance as at 31 March 2016</b>	<b>1,971,000</b>	<b>326,420,271</b>	<b>81,530,259</b>	<b>16,445,348</b>	<b>426,366,878</b>
<b>Net block</b>					
At 31 March 2015	-	30,985,701	151,045,756	-	182,031,457
At 31 March 2016	-	31,983,055	101,957,377	-	133,940,432

## Summary of Significant accounting policies and other explanatory information for the year ended 31 March 2016 (Cont'd)

### 10C INTANGIBLE ASSETS UNDER DEVELOPMENT

(Amount in ₹)

	Process manuals	Software	Total
<b>Balance as at 1 April 2014</b>	141,349,987	-	141,349,987
Additions during the year	1,307,018	-	1,307,018
Less: Capitalised during the year	(142,657,005)	-	(142,657,005)
<b>Balance as at 31 March 2015</b>	-	-	-
Additions during the year	-	11,163,459	11,163,459
Less: Capitalised during the year	-	-	-
<b>Balance as at 31 March 2016</b>	-	<b>11,163,459</b>	<b>11,163,459</b>

### 11 NON-CURRENT INVESTMENTS

(Unquoted, valued at cost unless stated otherwise)

	As at 31 March 2016	As at 31 March 2015
	₹	₹
<b>A Trade</b>		
<b>i Investments in equity instruments in subsidiaries</b>		
Axis Inc.	148,906,359	148,906,359
19,725 (31 March 2015: 19,725) equity shares		
Cades Studec Technologies (India) Private Limited	71,966,083	71,966,083
475,000 equity shares (31 March 2015: 475,000) of 10 each		
AXISCADES Technology Canada Inc. (formerly Cades Technology Canada Inc.)	4,596	4,596
100 equity shares (31 March 2015: 100) of CAN\$ 1 each		
Axis Mechanical Engineering Design (Wuxi) Co., Ltd.,	4,268,488	4,268,488
<b>ii Other investments</b>		
Axis Cogent Global Limited	10,913,658	10,913,658
946,822 (31 March 2015: 946,822) equity shares of ₹ 10 each fully paid up		
Datum Technology Limited	500,000	500,000
50,000 (31 March 2015: 50,000) equity shares of ₹ 10 each		
<b>Less:</b> Provision for diminution in the value of long term investments		
Datum Technology Limited	(500,000)	(500,000)
Axis Cogent Global Limited	(10,913,658)	(10,913,658)
	<b>(11,413,658)</b>	<b>(11,413,658)</b>
<b>B Others</b>		
National Savings Certificates	5,000	5,000
	<b>225,150,526</b>	<b>225,150,526</b>

### 12 DEFERRED TAXES

	As at 31 March 2016	As at 31 March 2015
	₹	₹
<b>Deferred tax assets</b>		
Provision for doubtful trade receivables	-	7,402,923
Provision for unbilled revenue	3,632,934	3,632,935
Provision for employee benefits	15,759,534	12,882,684
Lease rent equalisation	1,884,177	2,146,368
Expenses disallowed under section 35DD of Income-tax Act, 1961	6,732,898	6,103,350
Provision for doubtful service tax	501,375	501,375
<b>Total</b>	<b>28,510,918</b>	<b>32,669,635</b>
<b>Deferred tax liabilities</b>		
Timing difference on depreciation and amortisation	7,265,615	10,340,837
<b>Total</b>	<b>7,265,615</b>	<b>10,340,837</b>
<b>Deferred tax asset, net</b>	<b>21,245,303</b>	<b>22,328,798</b>

## Summary of Significant accounting policies and other explanatory information for the year ended 31 March 2016 (Cont'd)

### 13 LOANS AND ADVANCES

	As at 31 March 2016		As at 31 March 2015	
	Long-term ₹	Short-term ₹	Long-term ₹	Short-term ₹
<b>(Unsecured, considered good)</b>				
Security deposit	47,715,395	4,456,331	43,959,213	3,209,663
	47,715,395	4,456,331	43,959,213	3,209,663
<b>Loans and advances to related parties</b>				
Subsidiaries	-	7,958,105	-	7,019,001
Fellow subsidiary (Refer note (a) below)	137,500,000	-	-	-
	<b>137,500,000</b>	<b>7,958,105</b>	-	<b>7,019,001</b>
<b>Other loans and advances *</b>				
Advance taxes (net of provision for tax)	26,129,857	-	51,258,546	-
MAT credit entitlement	-	-	18,915,392	-
Duties and taxes recoverable	-	20,945,714	-	12,326,433
Prepaid expenses	4,284,695	25,045,642	4,616,232	26,096,272
Advance to suppliers	-	61,789	-	5,165,704
Advance to employees	-	4,221,891	-	6,144,192
Other advances	-	2,847,217	-	-
	<b>30,414,552</b>	<b>53,122,253</b>	<b>74,790,170</b>	<b>49,732,601</b>
<b>(Unsecured, considered doubtful)</b>				
Duties and taxes recoverable	-	1,448,725	-	1,448,725
Less: Allowances for doubtful duties and taxes recoverable	-	(1,448,725)	-	(1,448,725)
	-	-	-	-
	<b>215,629,947</b>	<b>65,536,689</b>	<b>118,749,383</b>	<b>59,961,265</b>

- (a) The Board of Directors approved an ICD of ₹ 150,000,000 to AXISCADES Aerospace & Technologies Private Limited (ACATPL), a fellow subsidiary of the Company, at an interest rate of Company's maximum borrowing rate plus 1% per annum payable on a quarterly basis and other such terms and conditions that are on arm's length basis and in the ordinary course of business. The Company has advanced ₹ 137,500,000 to ACATPL during the year ended 31 March 2016. The ICD extended is in the nature of working capital assistance to ACATPL for a period of two years from the effective date of the ICD agreement. This amount may be extended beyond the two years period based on mutual agreement.

\*Advances recoverable in cash or kind

### 14 OTHER ASSETS

	As at 31 March 2016		As at 31 March 2015	
	Non-current ₹	Current ₹	Non-current ₹	Current ₹
Unbilled revenue				
Considered good	-	312,263,375	-	239,572,269
Doubtful	-	10,497,386	-	10,497,386
	-	322,760,761	-	250,069,655
Less: Allowances for doubtful unbilled revenue	-	(10,497,386)	-	(10,497,386)
	-	<b>312,263,375</b>	-	<b>239,572,269</b>
Bank deposits with maturity of more than 12 months (Also, refer note 16)	15,041,965	-	5,005,000	-
Hedge asset	-	8,297,996	-	-
Interest accrued on fixed deposits	-	1,706,021	-	2,059,674
Interest accrued on ICD (Also, refer note 13 (a))	-	3,220,959	-	-
Long term trade receivables	1,312,325	-	1,312,325	-
	<b>16,354,290</b>	<b>325,488,351</b>	<b>6,317,325</b>	<b>241,631,943</b>

## Summary of Significant accounting policies and other explanatory information for the year ended 31 March 2016 (Cont'd)

### 15 TRADE RECEIVABLES

(Unsecured)

	As at	As at
	31 March 2016	31 March 2015
	₹	₹
Outstanding for a period exceeding six months from the date they are due for payment		
Considered good	7,904,959	8,665,251
Doubtful	-	21,390,785
	<b>7,904,959</b>	<b>30,056,036</b>
Less: Allowances for doubtful debts	-	(21,390,785)
	<b>7,904,959</b>	<b>8,665,251</b>
Other debts		
Considered good	609,444,322	375,222,049
	<b>617,349,281</b>	<b>383,887,300</b>

As at 31 March 2016, trade receivables include a sum of ₹ 2,370,765 (31 March 2015: ₹ 9,543,335) foreign currency receivables outstanding for more than 365 days. In this regard, the Company has filed for extension with its Authorised Dealer as per the required provisions of Foreign Exchange Management Act, 1999.

### 16 CASH AND BANK BALANCES

	As at		As at	
	31 March 2016		31 March 2015	
	Non-current	Current	Non-current	Current
	₹	₹	₹	₹
<b>Cash and cash equivalents</b>				
Cash on hand	-	174,437	-	149,038
Balances with banks in current accounts	-	93,783,275	-	79,394,784
	-	93,957,712	-	79,543,822
<b>Other bank balances</b>				
Margin money deposits (Refer note (a) below)	15,041,965	27,729,294	5,005,000	27,750,159
	15,041,965	27,729,294	5,005,000	27,750,159
Less: Amounts disclosed as other non-current assets (Also, refer note 14)				
Margin money deposits	(15,041,965)	-	(5,005,000)	-
	-	<b>121,687,006</b>	-	<b>107,293,981</b>

**(a) Fixed deposits given as security:**

1. Fixed deposits of a carrying amount ₹ 40,998,265 (31 March 2015: ₹ 32,036,959) have been deposited as margin money at 10% against the Packing credit facility loan availed from a bank.
2. Deposits of a carrying amount ₹ 1,772,994 (31 March 2015: ₹ 718,200) have been deposited as bank guarantee towards lien on various authorities and customers.

### 17 REVENUE FROM OPERATIONS

	Year ended	Year ended
	31 March 2016	31 March 2015
	₹	₹
Engineering design services	2,350,396,735	1,884,475,623
	<b>2,350,396,735</b>	<b>1,884,475,623</b>

## Summary of Significant accounting policies and other explanatory information for the year ended 31 March 2016 (Cont'd)

### 18 OTHER INCOME

	Year ended 31 March 2016	Year ended 31 March 2015
	₹	₹
Miscellaneous income	1,080,206	161,569
Net gain on foreign currency transaction and translation	16,040,388	-
Interest income		
- from fixed deposits	3,482,985	3,473,594
- lease deposits	3,512,978	2,992,437
- income tax refund	-	1,086,687
- from Intercorporate deposit	3,220,959	-
Provision no longer required, written back	2,267,977	3,522,007
	<b>29,605,493</b>	<b>11,236,294</b>

### 19 EMPLOYEE BENEFIT EXPENSES

	Year ended 31 March 2016	Year ended 31 March 2015
	₹	₹
Salaries, wages and bonus <sup>1</sup>	1,081,877,475	922,357,429
Contribution to provident and other funds	29,482,728	24,361,886
Contribution to overseas social security	75,632,645	65,578,045
Provision for gratuity (Also, refer note 7(a))	8,420,477	7,300,021
Provision for compensated absences	5,244,348	4,182,508
Staff welfare expense	22,483,836	21,419,688
	<b>1,223,141,509</b>	<b>1,045,199,577</b>

<sup>1</sup> Net of salary costs of ₹ Nil (31 March 2015: ₹ 788,977) capitalised towards creation of intangible assets under development.

### 20 DEPRECIATION AND AMORTISATION EXPENSE

	Year ended 31 March 2016	Year ended 31 March 2015
	₹	₹
Depreciation of tangible assets (Also, refer note 10 A)	22,935,933	19,748,176
Amortisation of intangible assets (Also, refer note 10 B)	69,522,445	60,687,811
	<b>92,458,378</b>	<b>80,435,987</b>

### 21 FINANCE COSTS

	Year ended 31 March 2016	Year ended 31 March 2015
	₹	₹
Interest on		
- Loan from bank	9,322,001	14,783,156
- Intercorporate deposit	-	18,583
- Statutory payments	2,639,410	-
Other borrowing cost (processing fees)	5,892,725	8,227,075
	<b>17,854,136</b>	<b>23,028,814</b>

## Summary of Significant accounting policies and other explanatory information for the year ended 31 March 2016 (Cont'd)

### 22 OTHER EXPENSES

	Year ended	Year ended
	31 March 2016	31 March 2015
	₹	₹
Rent	87,495,560	82,072,820
Power and fuel	21,891,463	20,750,522
Travelling and conveyance	124,779,000	144,346,281
Legal and professional charges	30,827,927	31,411,366
Repairs and maintenance		
- Building	17,738,646	17,422,492
- Others	5,640,177	3,212,651
Auditor's remuneration (Also, refer note 30)	3,456,621	2,559,463
Equipment hire charges	13,865,152	23,802,365
Recruitment and training expenses	8,381,645	10,001,097
Marketing and advertising expenses	12,399,430	13,308,463
Communication expenses <sup>1</sup>	27,940,621	25,131,739
Software subscription charges	68,129,503	68,604,610
Infrastructure usage charges	28,548,619	13,168,361
Printing and stationery	3,664,136	2,272,766
Security charges	4,152,082	3,131,051
Rates and taxes	4,290,066	7,810,224
Project consultancy charges	164,692,732	49,048,973
Insurance expenses	683,580	600,882
Bank charges	1,567,719	1,246,190
Postage and courier charges	1,583,598	1,088,449
Provision for doubtful debts	-	3,677,987
Bad debts written off	684,096	-
Net loss on foreign currency transaction and translation	-	13,849,819
Directors sitting fees	8,080,000	2,530,000
Sales commission	1,001,341	1,390,209
Corporate social responsibility expenses (Also, refer note 32)	2,484,000	1,937,000
Miscellaneous expenses	847,883	873,941
	<b>644,825,597</b>	<b>545,249,721</b>

<sup>1</sup> Net of internet charges of ₹ Nil (31 March 2015: ₹ 518,041) capitalised towards creation of intangible assets under development.

### 23 EXCEPTIONAL ITEMS

	Year ended	Year ended
	31 March 2016	31 March 2015
	₹	₹
Merger expenses (Refer note (a) below)	5,928,000	-
Stamp duty (Refer note (b) below)	-	22,294,578
Provision for diminution in the value of long-term investments		
- Axis Cogent Global Limited	-	7,413,658
	<b>5,928,000</b>	<b>29,708,236</b>

- (a) The Board of Directors of ACETL at its meeting held on 14 August 2015, has approved the acquisition of AXISCADES Aerospace & Technologies Private Limited ("ACATL"), an aerospace, defence and homeland security technologies company by way of a Scheme of Amalgamation of India Aviation Training Institute Private Limited ("IAT") with AXISCADES Engineering Technologies Limited ("ACETL"). ACATL is 100% subsidiary of IAT. Shareholders of IAT (holding company of ACATL) will receive 10 (ten) shares in ACETL for every 45 (forty five) shares held by them in IAT. The transaction is proposed to be completed via a Scheme of Amalgamation. The appointed date of the Scheme is 1 April 2016 or any other date as may be directed by the Hon'ble Court of Karnataka and the Scheme is subject to the approval of the requisite shareholders and creditors of ACETL and IAT, the Honourable High Court and the permission and approval of any other statutory or regulatory authorities, as applicable. The Company has filed the draft Scheme of Amalgamation with the Stock Exchanges under clause 24(f) of the Listing Agreement on 2 September 2015. No complaints with this respect have been received from any stakeholder during the specified period and the Report as on 13 October 2015 has been submitted to that effect with the Stock

## Summary of Significant accounting policies and other explanatory information for the year ended 31 March 2016 (Cont'd)

Exchanges. Further, the Scheme has got the approval from the shareholders and creditors on 25 April 2016 in the Court Convened Meeting and petition to that effect has been filed with the Hon'ble High Court of Karnataka.

- (b) Pursuant to the allotment of equity shares as per the Scheme (Also, refer note 3 (a)), the Company has remitted stamp duty expense on the transaction amounting to ₹ Nil during the year March 2016 (31 March 2015: ₹ 22,294,578).

### 24 EARNINGS PER SHARE (EPS)

	Year ended 31 March 2016	Year ended 31 March 2015
a) Profit after tax attributable to equity shareholders (₹)	262,800,813	113,237,346
b) Weighted average number of shares outstanding	27,189,593	25,228,820
c) Nominal value of shares (₹)	5.00	5.00
d) Basic earnings per share (₹)	9.67	4.49
e) Number of equity shares used to compute diluted earnings per share	27,189,593	25,228,820
f) Diluted earnings per share (₹)	9.67	4.49

### 25 SEGMENT REPORTING

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

### 26 DISCLOSURE UNDER REGULATION 34(3) OF THE THE SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015

- i. Amount of investment in subsidiaries as at 31 March 2016

Subsidiary Companies	Amount outstanding as at 31 March 2016	Maximum amount outstanding during the year
	₹	₹
Axis Inc.	148,906,359	148,906,359
Cades Studec Technologies (India) Private Limited	71,966,083	71,966,083
Axis Mechanical Engineering Design (Wuxi) Co., Ltd.,	4,268,488	4,268,488
AXISCADES Technology Canada Inc. (formerly known as 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 2016

Subsidiary Companies		
Axis Inc.	1,223,065	2,786,232
AXISCADES UK Limited (formerly known as Axis EU Europe Limited)	950,882	1,003,692
AXISCADES Technology Canada Inc. (formerly known as CADES Technology Canada Inc.)	5,784,159	6,676,512

### 27 RELATED PARTY DISCLOSURES

- i. Parties where control exists:

Nature of relationship	Name of party
Holding Company	Jupiter Capital Private Limited ('JCPL')
Subsidiary companies	Axis Inc. AXISCADES UK Limited (formerly known as Axis EU Europe Limited, a step down subsidiary) Cades Studec Technologies (India) Private Limited AXISCADES Technology Canada Inc. (formerly known as Cades Technology Canada Inc.) Axis Mechanical Engineering Design (Wuxi) Co., Ltd.

- ii. Name and relationship of other related parties

Fellow subsidiary	AXISCADES Aerospace & Technologies Private Limited
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## Summary of Significant accounting policies and other explanatory information for the year ended 31 March 2016 (Cont'd)

iii. Key management personnel:

Vice Chairman and Executive Director	Mr. Sudhakar Gande (appointed w.e.f. 14 August 2015)
Chief Executive Officer and Director	Mr. Valmeekanathan S.
Chief Financial Officer	Mr. Kaushik Sarkar (resigned as Director w.e.f. 25.06.2015)

iv. Transactions with related parties:

(Amount in ₹)

Nature of transaction	Relationship	Year ended 31 March 2016	Year ended 31 March 2015
<b>Revenue from operations</b>			
Axis Inc	Subsidiary	115,689,222	150,505,483
AXISCADES UK Limited	Subsidiary	26,178,799	21,618,358
AXISCADES Technology Canada Inc.	Subsidiary	165,557,736	142,031,594
AXISCADES Aerospace & Technologies Private Limited	Fellow subsidiary	-	45,000,000
<b>Intercorporate deposits repaid</b>			
AXISCADES Aerospace & Technologies Private Limited	Fellow subsidiary	-	7,707,895
<b>Interest expense on Intercorporate deposit</b>			
AXISCADES Aerospace & Technologies Private Limited	Fellow subsidiary	-	18,583
<b>Remuneration</b>			
Mr. Sudhakar Gande *	Key management personnel	15,612,903	-
Mr. Valmeekanathan S.	Key management personnel	13,380,000	11,580,000
Mr. Kaushik Sarkar	Key management personnel	8,694,624	3,957,244

\* During the year ended 31 March 2016, the Company had made an application to the Central Government under Section 196 and 197 read with Schedule V of the Companies Act, 2013 seeking approval to authorise the payment of managerial remuneration in excess of the limits as laid down in Section 197(1) of the Companies Act, 2013 to Mr. Sudhakar Gande, who has been appointed as a Whole Time Director of the Company w.e.f. 14 August 2015. On 2 May 2016, the Central Government in terms of Section 197(3) of the Companies Act, 2013 has approved the remuneration payable to the aforesaid managerial personnel from the date of the appointment and consequently, the Company has recorded managerial remuneration payable as per the terms of appointment for the financial year ended 31 March 2016.

(Amount in ₹)

Nature of transaction	Relationship	Year ended 31 March 2016	Year ended 31 March 2015
<b>Expenses incurred on behalf of</b>			
Axis Inc.	Subsidiary	5,310,595	1,317,711
AXISCADES UK Limited.	Subsidiary	1,003,692	346,976
AXISCADES Technology Canada Inc.	Subsidiary	3,330,787	10,227,899
AXISCADES Aerospace & Technologies Private Limited	Fellow subsidiary	-	13,025,683
<b>Expenses recovered from</b>			
Axis Inc.	Subsidiary	4,046,997	2,333,841
AXISCADES UK Limited	Subsidiary	345,214	521,813
AXISCADES Technology Canada Inc.	Subsidiary	10,007,299	13,415,549
AXISCADES Aerospace & Technologies Private Limited	Fellow subsidiary	-	14,003,022
<b>Software subscription charges</b>			
Axis Inc.	Subsidiary	13,886,610	14,106,977
<b>Salaries, wages and bonus charged to</b>			
AXISCADES Technology Canada Inc.	Subsidiary	5,655,488	4,730,497
<b>Project consultancy charges</b>			
Axis Inc.	Subsidiary	-	1,699,214
<b>Salaries, wages and bonus</b>			
Axis Inc.	Subsidiary	15,706,378	808,523
AXISCADES UK Limited	Subsidiary	4,519,282	-
<b>Intercorporate deposits extended</b>			
AXISCADES Aerospace & Technologies Private Limited	Fellow subsidiary	137,500,000	-

## Summary of Significant accounting policies and other explanatory information for the year ended 31 March 2016 (Cont'd)

Nature of transaction	Relationship	Year ended 31 March 2016	Year ended 31 March 2015
<b>Interest income on intercorporate deposit</b>			
AXISCADES Aerospace & Technologies Private Limited	Fellow subsidiary	3,220,959	-
<b>Capital expenditure reimbursed</b>			
Jupiter Capital Private Limited	Holding Company	113,178	-
<b>Travel expenses reimbursed</b>			
AXISCADES Aerospace & Technologies Private Limited	Fellow subsidiary	2,483,135	-

v. Balances as at the year end:

Nature of transaction	Relationship	As at 31 March 2016	As at 31 March 2015
<b>Trade receivables</b>			
Axis Inc.	Subsidiary	18,934,234	14,604,687
AXISCADES UK Limited.	Subsidiary	20,324,531	4,244,982
AXISCADES Technology Canada Inc.	Subsidiary	13,261,409	14,541,846
AXISCADES Aerospace & Technologies Private Limited	Fellow subsidiary	-	50,562,000
<b>Unbilled revenue</b>			
AXISCADES Technology Canada Inc.	Subsidiary	13,014,031	16,538,852
Axis Inc.	Subsidiary	12,011,586	12,039,868
AXISCADES UK Limited.	Subsidiary	2,560,915	-
<b>Investments</b>			
Axis Inc.	Subsidiary	148,906,359	148,906,359
Cades Studec Technologies (India) Private Limited	Subsidiary	71,966,083	71,966,083
Axis Mechanical Engineering Design (Wuxi) Co., Ltd.,	Subsidiary	4,268,488	4,268,488
AXISCADES Technology Canada Inc.	Subsidiary	4,596	4,596
<b>Intercorporate deposit receivable</b>			
AXISCADES Aerospace & Technologies Private Limited	Fellow subsidiary	137,500,000	-
<b>Loans and advances</b>			
<i>Expenses recoverable</i>			
Axis Inc.	Subsidiary	1,223,065	-
AXISCADES UK Limited	Subsidiary	950,882	345,214
AXISCADES Technology Canada Inc.	Subsidiary	5,784,159	6,673,787
<b>Trade payables</b>			
Axis Inc.	Subsidiary	19,226,997	-
AXISCADES UK Limited	Subsidiary	4,273,110	-
<b>Remuneration payable</b>			
Mr. Sudhakar Gande	Key management personnel	6,400,000	-
Mr. Valmeekanathan S.	Key management personnel	3,840,000	1,500,000
Mr. Kaushik Sarkar	Key management personnel	2,037,600	411,885
<b>Corporate guarantee outstanding</b>			
AXISCADES Aerospace & Technologies Private Limited	Fellow subsidiary	-	355,000,000
<b>Interest receivable</b>			
AXISCADES Aerospace & Technologies Private Limited	Fellow subsidiary	3,220,959	-

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

The lease expenses for cancellable and non-cancellable operating leases during the year ended 31 March 2016 was ₹ 87,495,560 (31 March 2015: ₹ 82,072,820).

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

Payments falling due:	As at	As at
	31 March 2016	31 March 2015
	₹	₹
Not later than one year	17,416,057	22,520,407
Later than one year but not later than 5 years	9,826,198	13,403,634
Later than 5 years	-	-
	<b>27,242,255</b>	<b>35,924,041</b>

## Summary of Significant accounting policies and other explanatory information for the year ended 31 March 2016 (Cont'd)

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 22 to the financial statements.

### 29 PARTICULARS RELATING TO FOREIGN EXCHANGE

	Year ended 31 March 2016	Year ended 31 March 2015
	₹	₹
<b>Earnings in foreign exchange</b>		
Revenue from engineering design services	1,843,201,543	1,430,680,301
	<b>1,843,201,543</b>	<b>1,430,680,301</b>
<b>Expenditure in foreign currency</b>		
Bank charges and interest	7,353,415	6,238,677
Software subscription charges	23,282,504	19,653,552
Project consultancy charges	134,521,744	21,000,899
Commission and brokerage	1,001,341	1,390,209
Employee benefits expense	480,908,465	457,979,577
Travelling and conveyance	81,171,932	88,923,226
Communication expenses	12,780,542	15,635,064
Rent	5,990,369	5,505,643
Professional charges	12,271,390	13,059,702
Repairs and maintenance	3,530,856	3,642,628
Rates and taxes	3,304,365	5,362,824
Infrastructure charges	28,548,619	9,199,008
Other expenses	1,600,243	4,475,374
	<b>796,265,785</b>	<b>652,066,383</b>
<b>Value of Imports on CIF Basis</b>		
Capital goods	26,898,944	1,663,703
Internet charges for intangibles under development	-	518,041
	<b>26,898,944</b>	<b>2,181,744</b>

### 30 AUDITOR'S REMUNERATION\*

	Year ended 31 March 2016	Year ended 31 March 2015
	₹	₹
Statutory audit fees	3,050,000	2,165,000
Tax audit fees	250,000	225,000
Other fees	120,000	110,000
Out of pocket expenses	156,621	59,463
	<b>3,576,621</b>	<b>2,559,463</b>

\* Excluding service tax

### 31 COMMITMENTS

	Year ended 31 March 2016	Year ended 31 March 2015
	₹	₹
Capital commitments	5,332,532	9,068,315
	<b>5,332,532</b>	<b>9,068,315</b>

### 32 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 2016 amounts to ₹ 2,484,000 (31 March 2015: ₹ 1,937,000). The Company has paid ₹ 2,484,000 to three non-government organisations engaged in the field of development of skills of under-privileged children, enabling them to overcome adversity and flourish in a fast changing world.

## Summary of Significant accounting policies and other explanatory information for the year ended 31 March 2016 (Cont'd)

### 33 HEDGING AND DERIVATIVES

The following are the outstanding derivatives contracts entered into by the Company and unhedged foreign currency exposures:

Particulars Included in	Currency	31 March 2016				31 March 2015					
		Conversion rate	Total Amount in foreign currency	Hedged Amount in foreign currency	Unhedged Amount in foreign currency	Unhedged Amount in ₹	Conversion rate	Total Amount in foreign currency	Hedged Amount in foreign currency	Unhedged Amount in foreign currency	Unhedged Amount in ₹
<b>i) Assets:</b>											
Trade receivables	USD	66.33	6,620,024	6,250,000	370,024	24,544,765	62.59	6,585,000	6,585,000	-	-
	EURO	75.10	861,436	700,000	161,436	12,123,117	67.51	739,418	-	739,418	49,918,420
	GBP	95.09	213,744	-	213,744	20,324,532	92.46	49,646	-	49,646	4,590,196
Unbilled revenue	USD	66.33	4,369,995	-	4,369,995	289,874,448	62.59	3,595,946	-	3,595,946	225,073,158
	EURO	75.10	74,072	-	74,072	5,562,474	67.51	104,758	-	104,758	7,072,254
	GBP	95.09	26,932	-	26,932	2,560,915	-	-	-	-	-
Advance to subsidiaries	USD	66.33	18,439	-	18,439	1,223,112	62.59	-	-	-	-
	GBP	95.09	10,000	-	10,000	950,882	92.46	3,734	-	3,734	345,205
	CAD	51.10	113,195	-	113,195	5,784,165	53.37	125,107	-	125,107	6,676,512
Cash & cash equivalents	USD	66.33	664,930	-	664,930	44,106,735	62.59	779,819	-	779,819	48,809,495
	EURO	75.10	441,134	-	441,134	33,127,178	67.51	439,235	-	439,235	29,652,931
	AED	18.04	142,961	-	142,961	2,578,802	-	-	-	-	-
	DKK	10.17	1,343,928	-	1,343,928	13,668,339	-	-	-	-	-
	KRW	0.06	1,442,718	-	1,442,718	83,826	-	-	-	-	-
	JPY	-	-	-	-	-	-	-	-	-	-
	EURO	-	-	-	-	-	0.06	14,717,944	-	14,717,944	830,063
Duties and taxes recoverable	EURO	-	-	-	-	-	0.52	47,041	-	47,041	24,513
	EURO	-	-	-	-	-	67.51	40,223	-	40,223	2,715,471
<b>ii) Liabilities:</b>											
Trade payables	USD	66.33	335,557	-	335,557	22,258,476	62.59	324,772	-	324,772	20,327,722
	EURO	75.10	745,838	-	745,838	56,009,105	67.51	81,327	-	81,327	5,490,415
	GBP	95.09	44,938	-	44,938	4,273,110	-	-	-	-	-
	JPY	0.52	-	-	-	-	0.52	300,000	-	300,000	156,330
	DKK	10.17	3,125	-	3,125	31,783	-	-	-	-	-
Dues to employees	USD	66.33	-	-	-	-	-	-	-	-	-
	EURO	75.10	373,872	-	373,872	28,076,105	62.59	48,895	-	48,895	3,060,408
	DKK	10.17	342,539	-	342,539	3,483,772	67.51	85,546	-	85,546	5,775,211
Duties and taxes payable	EURO	75.10	652,911	-	652,911	49,030,678	-	-	-	-	-
	KRW	0.06	3,707,709	-	3,707,709	215,429	0.06	7,415,190	-	7,415,190	418,202
	DKK	10.17	945,969	-	945,969	9,620,921	-	-	-	-	-
	GBP	-	-	-	-	-	92.46	123	-	123	11,372
Creditors for capital goods	EURO	75.10	5,375	-	5,375	403,638	-	-	-	-	-
Working capital loans	USD	66.33	3,382,127	-	3,382,127	224,346,288	62.59	3,165,445	-	3,165,445	198,127,735
<b>iii) Commitments:</b>											
Capital commitments	Euro	75.10	15,120	-	15,120	1,135,444	-	-	-	-	-

## Summary of Significant accounting policies and other explanatory information for the year ended 31 March 2016 (*Cont'd*)

### 34 TRANSFER PRICING

The Company is required to use certain specified methods in computing arm's length price of international transactions between the associated enterprises and maintain prescribed information and documents relating to such transactions. The appropriate method to be adopted will depend on the nature of transactions / class of transactions, class of associated persons, functions performed and other factors, which have been prescribed. The Company is in the process of updating the Transfer Pricing documentation for the financial year ending 31 March 2016 following a detailed transfer pricing study conducted for the financial year ended 31 March 2015. In the opinion of the management, the same would not have an impact on these financial statements. Accordingly, these financial statements do not include the effect of the transfer pricing implications, if any.

### 35 PREVIOUS YEAR FIGURES

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  
30 May 2016

**For and on behalf of the Board of Directors of AXISCADES  
Engineering Technologies Limited**

Sd/-  
**Valmeekanathan S.**  
Chief Executive Officer and Director  
DIN: 05297798

Sd/-  
**Kaushik Sarkar**  
Chief Financial Officer

Bengaluru  
30 May 2016

Sd/-  
**Kedarnath Choudhury**  
Director  
DIN: 01519514

Sd/-  
**Shweta Agrawal**  
Company Secretary  
Membership no.: 14148

Bengaluru  
30 May 2016

# *Consolidated Financial Statements*



# Independent Auditor's 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 2016, 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.

### Auditor's 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. 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 2016, 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

## Independent Auditor's Report (Cont'd)

financial statements reflect total assets (after eliminating intra-group transactions) of ₹ 318,722,101 as at 31 March 2016, total revenues (after eliminating intra-group transactions) of ₹ 627,287,255 and net cash flows amounting to ₹ 42,380,925 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-section (3) 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 by 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 Section 143(3) of the Act, and based on the auditor's reports of the, subsidiaries, 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;
  - 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

2016 taken on record by the Board of Directors of the Holding Company and the report of the statutory auditor of its subsidiary company incorporated in India, none of the directors of the Group's subsidiary company incorporated in India is disqualified as on 31 March 2016 from being appointed as a director in terms of Section 164 (2) of the Act.

- f) We have also audited the internal financial controls over financial reporting (IFCoFR) of the Company and its subsidiary company, which is a company incorporated in India, as of 31 March 2016, in conjunction with our audit of the consolidated financial statements of the Group for the year ended on that date and our report dated 30 May 2016 as per Annexure I expressed an unmodified opinion.
- g) 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's Registration No.: 001076N/N500013

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

New Delhi  
30 May 2016

**Annexure I to the Independent Auditor's Report of even date to the members of AXISCADES Engineering Technologies Limited, on the consolidated financial statements for the year ended 31 March 2016**

**Independent Auditor's report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

1. In conjunction with our audit of the 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"), as of and for the year ended 31 March 2016, we have audited the internal financial controls over financial reporting (IFCoFR) of the Holding Company and its subsidiary company, which is a company incorporated in India.

**Management's Responsibility for Internal Financial Controls**

2. The respective Board of Directors of the Holding Company and its subsidiary company, which is a company incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of the company's business, including adherence to the company's policies, the safeguarding of the company's assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

**Auditors' Responsibility**

3. Our responsibility is to express an opinion on the IFCoFR of the Holding Company, and its subsidiary company, as aforesaid, based on our audit. We conducted our audit in accordance with the Standards on Auditing, issued by the Institute of Chartered Accountants of India (ICAI) and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of IFCoFR and the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note"), issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate IFCoFR were

established and maintained and if such controls operated effectively in all material respects.

4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the IFCoFR and their operating effectiveness. Our audit of IFCoFR included obtaining an understanding of IFCoFR, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the IFCoFR of the Holding Company and its subsidiary company as aforesaid.

**Meaning of Internal Financial Controls over Financial Reporting**

6. A company's IFCoFR is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's IFCoFR includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

**Inherent Limitations of Internal Financial Controls over Financial Reporting**

7. Because of the inherent limitations of IFCoFR, including the possibility of collusion or improper management override of

controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the IFCoFR to future periods are subject to the risk that the IFCoFR may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

### Opinion

8. In our opinion, the Holding Company and its subsidiary company, which is a company incorporated in India, have, in all material respects, adequate internal financial controls over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2016, based on the internal control over financial reporting criteria established by the Company considering the essential

components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **Walker Chandiok & Co LLP**

*(Formerly Walker, Chandiok & Co)*

Chartered Accountants

Firm's Registration No.: 001076N/N500013

Sd/-

per **Aasheesh Arjun Singh**

Partner

Membership No.: 210122

New Delhi

30 May 2016

# Consolidated Balance Sheet

	Note	As at	As at
		31 March 2016	31 March 2015
		₹	₹
<b>EQUITY AND LIABILITIES</b>			
<b>SHAREHOLDERS' FUNDS</b>			
Share capital	3	136,101,265	136,101,265
Reserves and surplus	4	1,440,851,699	1,116,559,258
		<b>1,576,952,964</b>	<b>1,252,660,523</b>
<b>MINORITY INTEREST</b>			
	5	<b>25,736,262</b>	<b>21,662,253</b>
<b>NON-CURRENT LIABILITIES</b>			
Long-term borrowings	6	-	9,500,000
Long-term provisions	7	54,257,675	48,520,607
		<b>54,257,675</b>	<b>58,020,607</b>
<b>CURRENT LIABILITIES</b>			
Short-term borrowings	6	273,269,603	248,692,382
Trade payables	9	-	-
Total outstanding dues of micro enterprises and small enterprises		-	-
Total outstanding dues of creditors other than micro enterprises and small enterprises		182,696,448	116,665,948
Other current liabilities	10	279,260,129	169,035,613
Short-term provisions	7	13,693,639	14,539,961
		<b>748,919,819</b>	<b>548,933,904</b>
<b>TOTAL</b>		<b>2,405,866,720</b>	<b>1,881,277,287</b>
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
Fixed assets			
Tangible assets	11 A	88,997,207	63,098,964
Intangible assets	11 B	135,482,457	184,867,339
Intangible assets under development	11 C	11,163,459	-
Goodwill on consolidation		251,260,610	239,954,853
Non-current investments	12	5,000	5,000
Deferred tax assets, net	13	27,222,293	26,383,080
Long-term loans and advances	14	225,129,509	133,423,653
Other non-current assets	15	16,354,290	6,329,825
		<b>755,614,825</b>	<b>654,062,714</b>
<b>CURRENT ASSETS</b>			
Current Investments	12	-	3,567,102
Trade receivables	16	842,285,887	606,099,309
Cash and bank balances	17	335,435,684	263,977,055
Short-term loans and advances	14	98,678,715	69,341,819
Other current assets	15	373,851,609	284,229,288
		<b>1,650,251,895</b>	<b>1,227,214,573</b>
<b>TOTAL</b>		<b>2,405,866,720</b>	<b>1,881,277,287</b>

Summary of significant accounting policies and other explanatory information 1-34  
 Notes form an integral part of these consolidated financial statements  
 This is the Consolidated Balance Sheet referred to in our report of even date.

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

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

New Delhi  
 30 May 2016

For and on behalf of the Board of Directors of **AXISCADES**  
**Engineering Technologies Limited**

Sd/-  
**Valmeekanathan S.**  
 Chief Executive Officer and Director  
 DIN: 05297798

Sd/-  
**Kaushik Sarkar**  
 Chief Financial Officer

Bengaluru  
 30 May 2016

Sd/-  
**Kedarnath Choudhury**  
 Director  
 DIN: 01519514

Sd/-  
**Shweta Agrawal**  
 Company Secretary  
 Membership no.: 14148

Bengaluru  
 30 May 2016

# Consolidated Statement of Profit and Loss

	Note	Year ended	Year ended
		31 March 2016	31 March 2015
		₹	₹
<b>INCOME</b>			
Revenue from operations	18	3,753,888,481	3,175,892,736
Other income	19	39,183,123	16,538,007
<b>TOTAL REVENUE</b>		<b>3,793,071,604</b>	<b>3,192,430,743</b>
<b>EXPENSES</b>			
Employee benefits expense	20	2,280,767,498	2,011,610,974
Depreciation and amortisation expense	21	101,866,383	93,353,399
Finance costs	22	18,367,790	23,532,281
Other expenses	23	938,670,052	746,090,291
<b>TOTAL EXPENSES</b>		<b>3,339,671,723</b>	<b>2,874,586,945</b>
<b>PROFIT BEFORE EXCEPTIONAL ITEMS AND TAX</b>		<b>453,399,881</b>	<b>317,843,798</b>
Exceptional items	24	5,928,000	29,708,236
<b>PROFIT BEFORE TAX</b>		<b>447,471,881</b>	<b>288,135,562</b>
Tax expense:			
- Current tax			
Domestic (net of reversal of excess tax provision of prior year ₹ 5,584,521 (2015: ₹ Nil)		140,301,899	57,963,965
Foreign taxes		17,426,885	22,597,522
Prior year tax		756,787	-
- Deferred tax (credit)/expense		(887,341)	9,500,945
<b>PROFIT AFTER TAX AND BEFORE MINORITY INTEREST</b>		<b>289,873,651</b>	<b>198,073,130</b>
Minority interest		4,074,009	3,957,520
<b>NET PROFIT FOR THE YEAR</b>		<b>285,799,642</b>	<b>194,115,610</b>
<b>Earnings per equity share:</b>	25		
- Basic		10.51	7.69
- Diluted		10.51	7.69
Nominal value per share		5.00	5.00
Summary of significant accounting policies and other explanatory information	1-34		
Notes form an integral part of these Consolidated financial statements			
This is the Consolidated Statement of Profit and Loss referred to in our report of even date.			

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

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

New Delhi  
30 May 2016

**For and on behalf of the Board of Directors of AXISCADES  
Engineering Technologies Limited**

Sd/-  
**Valmeekanathan S.**  
Chief Executive Officer and Director  
DIN: 05297798

Sd/-  
**Kaushik Sarkar**  
Chief Financial Officer

Bengaluru  
30 May 2016

Sd/-  
**Kedarnath Choudhury**  
Director  
DIN: 01519514

Sd/-  
**Shweta Agrawal**  
Company Secretary  
Membership no.: 14148

Bengaluru  
30 May 2016

# Consolidated Cash Flow Statement

	Year Ended	Year Ended
	31 March 2016	31 March 2015
	₹	₹
<b>A Cash flow from operating activities</b>		
Profit before tax	447,471,881	288,135,562
Adjustment for:		
Depreciation and amortisation expense	101,866,383	93,353,399
Dividend income from mutual funds	(191,939)	(317,102)
Unrealised foreign exchange (gain) / loss	(9,104,717)	2,275,804
Provision no longer required, written back	(2,267,977)	(4,238,988)
Provision for diminution in value of long-term investment	-	7,413,660
Finance costs	18,367,790	23,532,281
Provision for doubtful debts and unbilled revenue	-	4,212,288
Bad debts written off	684,096	-
Provision for gratuity and compensated absences	16,638,719	14,274,478
Interest income	(11,037,716)	(6,837,267)
Other recoverable written off	2,629,496	-
Interest on Income tax refund	-	(1,086,687)
<b>Operating profit before working capital changes</b>	<b>565,056,016</b>	<b>420,717,428</b>
<b>Movements in working capital</b>		
(Increase) / decrease in trade receivables	(211,443,640)	105,451,489
(Increase) / decrease in loans and advances	(25,677,016)	32,068,107
Increase in other current assets	(69,308,023)	(130,796,126)
Decrease in provisions	(11,199,831)	11,091,919
Increase / (decrease) in current liabilities	182,086,561	(74,007,212)
<b>Cash from operating activities (A)</b>	<b>429,514,067</b>	<b>364,525,605</b>
Direct taxes paid (Net of refunds)	(122,176,177)	(55,129,362)
<b>Net cash from operating activities (A)</b>	<b>307,337,890</b>	<b>309,396,243</b>
<b>B Cash flow from investing activities</b>		
Purchase of fixed assets	(83,049,184)	(45,060,643)
Interest received	9,869,709	5,785,093
Realisation from / investments in fixed deposits, net	24,599,007	(33,990,908)
Redemption / (investment) in mutual funds	3,567,102	(3,250,000)
Intercompany deposit	(161,500,000)	-
<b>Net cash used in investment activities (B)</b>	<b>(206,513,366)</b>	<b>(76,516,458)</b>
<b>C Cash flow from financing activities</b>		
Repayments of intercompany deposits, net	-	(7,707,895)
Proceeds from working capital loans, net	12,520,013	59,502,408
Proceeds from buyer's credit from bank	9,498,914	-
Proceeds from term loan from bank	-	15,000,000
Repayments of term loan from bank	(15,000,000)	(135,000,000)
Finance costs paid	(15,728,399)	(23,532,281)
<b>Net cash used in financing activities (C)</b>	<b>(8,709,472)</b>	<b>(91,737,768)</b>
<b>Net increase in cash and cash equivalents (A+B+C)</b>	<b>92,115,052</b>	<b>141,142,017</b>
Effect of exchange rate changes, net	5,632,477	(9,478,773)
Cash and cash equivalents as at beginning of the year	165,130,313	33,467,069
Cash and cash equivalents as at end of the year	<b>262,877,842</b>	<b>165,130,313</b>
<b>Components of cash and cash equivalents</b>		
Cash and bank balances (Also, refer note 17)	335,435,684	263,977,055
Less: Bank deposits and margin money deposits considered separately	(72,557,842)	(98,846,742)
	<b>262,877,842</b>	<b>165,130,313</b>

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

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

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

New Delhi  
 30 May 2016

For and on behalf of the Board of Directors of **AXISCADES**  
**Engineering Technologies Limited**

Sd/-  
**Valmeekanathan S.**  
 Chief Executive Officer and Director  
 DIN: 05297798

Sd/-  
**Kaushik Sarkar**  
 Chief Financial Officer

Bengaluru  
 30 May 2016

Sd/-  
**Kedarnath Choudhury**  
 Director  
 DIN: 01519514

Sd/-  
**Shweta Agrawal**  
 Company Secretary  
 Membership no.: 14148

Bengaluru  
 30 May 2016

## Summary of Significant accounting policies and other explanatory information for the year ended 31 March 2016

### 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 1 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 2016	31 March 2015
Axis Inc.	USA	100.00%	100.00%
AXISCADES UK Limited (formerly Axis EU Europe Limited) (Subsidiary of Axis Inc.)	UK	100.00%	100.00%
Cades Studec Technologies(India) Private Limited ('Studec')	India	76.00%	76.00%
AXISCADES Technology Canada Inc. (formerly Cades Technology Canada Inc.) <sup>1</sup>	Canada	100.00%	100.00%
Axis Mechanical Engineering Design (Wuxi) Co., Ltd. ('Axis China')	China	100.00%	100.00%

<sup>1</sup> Step-down wholly owned subsidiary of Cades and is now a wholly owned subsidiary of Axis pursuant to the Scheme (Also, refer note 3 (a)).

The Registered Office was changed To "Block C, Second Floor, Kirtoskar Business Park, Bengaluru - 560024, Karnataka" from "A-264, Defence Colony, New Delhi - 110024" w.e.f. 2 December 2015.

### 2 SIGNIFICANT ACCOUNTING POLICIES

#### (a) Basis of consolidation

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

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

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

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

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

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

#### (b) Basis of preparation of financial statements

The financial statements 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.

## Summary of Significant accounting policies and other explanatory information for the year ended 31 March 2016 (*Cont'd*)

### 2 SIGNIFICANT ACCOUNTING POLICIES (*Cont'd*)

#### (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 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

## Summary of Significant accounting policies and other explanatory information for the year ended 31 March 2016 (Cont'd)

### 2 SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

intangible assets under development.

#### *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.

Intangible assets represent cost incurred for the creation of engineering and design manuals ('process manuals').

#### *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 commencing from the date of asset coming into use.

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

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 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 are depreciated over lease period including renewable period or estimated useful 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 shorter.

#### (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.

## Summary of Significant accounting policies and other explanatory information for the year ended 31 March 2016 (*Cont'd*)

### 2 SIGNIFICANT ACCOUNTING POLICIES (*Cont'd*)

#### (g) Investments

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

#### (h) Foreign currency transactions

##### *Initial recognition*

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

##### *Conversion*

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

##### *Exchange differences*

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

##### *Translation of integral and non-integral foreign operations*

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

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

## Summary of Significant accounting policies and other explanatory information for the year ended 31 March 2016 (*Cont'd*)

### 2 SIGNIFICANT ACCOUNTING POLICIES (*Cont'd*)

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 or has permanent employees. 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.

#### (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



## Summary of Significant accounting policies and other explanatory information for the year ended 31 March 2016 (*Cont'd*)

### 2 SIGNIFICANT ACCOUNTING POLICIES (*Cont'd*)

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.

Tax expense relating to foreign operations is determined in accordance with tax laws applicable in countries where such operations are domiciled. Tax expense relating to foreign operations shall be allowed as a deduction from the tax on such income in India, an amount equal to the income-tax paid in the foreign country, whether directly or by deduction as per treaties entered by Government of India with specific foreign countries to grant relief in certain cases.

## Summary of Significant accounting policies and other explanatory information for the year ended 31 March 2016 (*Cont'd*)

### 2 SIGNIFICANT ACCOUNTING POLICIES (*Cont'd*)

#### *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.

Advance taxes and provisions for current income taxes are presented in the Balance Sheet after off-setting advance tax paid and income tax provision arising in the same tax jurisdiction for relevant tax paying units and where the Company is able to and intends to settle the asset and liability on a net basis.

The Company offsets deferred tax assets and deferred tax liabilities if it has a legally enforceable right and these relate to taxes on income levied by the same governing taxation laws.

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:

- i Revenues and expenses have been identified to segments on the basis of their relationship to the operating activities of the segment.
- ii 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".
- iii 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.

## Summary of Significant accounting policies and other explanatory information for the year ended 31 March 2016 (Cont'd)

### 3 SHARE CAPITAL

	As at 31 March 2016		As at 31 March 2015	
	Number	₹	Number	₹
<b>Authorised</b>				
Equity shares of ₹ 5 each	108,000,000	540,000,000	108,000,000	540,000,000
Preference shares of ₹ 100 each	100,000	10,000,000	100,000	10,000,000
	<b>108,100,000</b>	<b>550,000,000</b>	<b>108,100,000</b>	<b>550,000,000</b>
<b>Issued share capital</b>				
Equity shares of ₹ 5 each fully paid up	27,240,693	136,203,465	27,240,693	136,203,465
<b>Subscribed and paid up</b>				
Equity shares of ₹ 5 each fully paid	27,189,593	135,947,965	27,189,593	135,947,965
Add: Forfeited shares (amount originally paid ₹ 3 per share on 51,100 equity shares)	-	153,300	-	153,300
	<b>27,189,593</b>	<b>136,101,265</b>	<b>27,189,593</b>	<b>136,101,265</b>

#### (a) Reconciliation of the equity shares

Balance at the beginning of the year	27,189,593	136,101,265	19,960,481	99,955,705
Add: Issued during the year (Also, refer note below)	-	-	7,229,112	36,145,560
<b>Balance at the end of the year</b>	<b>27,189,593</b>	<b>136,101,265</b>	<b>27,189,593</b>	<b>136,101,265</b>

Pursuant to the Scheme of Arrangement ("The Scheme") approved by the Hon'ble High Courts of Karnataka and Delhi, made effective on 24 March 2014, the shareholders of Cades Digitech Private Limited (Cades, erstwhile subsidiary of the Company) were eligible to receive 10 equity shares of par value of ₹ 5 each fully paid up of Axis-IT&T Limited ('Axis') for every 12 equity shares held in Cades of par value of ₹ 10 each fully paid up ('Swap ratio'), the record date being 11 April 2014 as fixed by the Board of Directors of the Company. On 9 July 2014, the Board of Directors of the Company allotted 7,229,112 equity shares of Axis to the shareholders of Cades. The shares have been listed and available for trading with effect from 23 September 2014.

#### (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 2016		As at 31 March 2015	
	Number	₹	Number	₹
<b>Holding Company:</b>				
Jupiter Capital Private Limited	236,178	1,180,890	236,178	1,180,890
<b>Subsidiaries of Holding Company:</b>				
Tayana Digital Private Limited	12,142,100	60,710,500	12,142,100	60,710,500
Indian Aero Ventures Private Limited	3,696,236	18,481,180	3,696,236	1,8481,180

## Summary of Significant accounting policies and other explanatory information for the year ended 31 March 2016 (Cont'd)

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

	As at 31 March 2016		As at 31 March 2015	
	Number	₹	Number	₹
(i) Tayana Digital Private Limited	12,142,100	60,710,500	12,142,100	60,710,500
(ii) Indian Aero Ventures Private Limited	3,696,236	18,481,180	3,696,236	18,481,180

- (e) In the period of five years immediately preceding the Balance Sheet date, the Company has not issued any bonus shares or has bought back any shares.

Details of shares allotted for consideration other than cash (within five years preceding the Balance Sheet date)

Particulars	2015-16	2014-15	2013-14	2012-13	2011-12
<b>Equity Shares:</b>					
Allotted as fully paid up under Scheme of Arrangement (Refer note 3 (a) above)	-	7,229,112	-	-	-

## 4 RESERVES AND SURPLUS

	As at 31 March 2016	As at 31 March 2015
	₹	₹
<b>a. Securities premium account</b>		
Balance at the beginning of the year	436,869,738	436,869,738
Balance at the end of the year	<b>436,869,738</b>	<b>436,869,738</b>
<b>b. Hedge reserve</b>		
Balance at the beginning of the year	(3,088,447)	(750,687)
Movement during the year	11,386,443	(2,337,760)
Balance at the end of the year	<b>8,297,996</b>	<b>(3,088,447)</b>
<b>c. Foreign currency translation reserve</b>	104,339,995	77,233,639
<b>d. Surplus in the Statement of Profit and Loss</b>		
Balance at the beginning of the year	605,544,328	411,428,718
Add: Transferred from Statement of Profit and Loss	285,799,642	194,115,610
<b>Balance at the end of the year</b>	<b>891,343,970</b>	<b>605,544,328</b>
<b>TOTAL</b>	<b>1,440,851,699</b>	<b>1,116,559,258</b>

## 5 MINORITY INTEREST

	As at 31 March 2016	As at 31 March 2015
	₹	₹
Balance at the beginning of the year	21,662,253	17,704,733
Add: Transferred from Statement of Profit and Loss	4,074,009	3,957,520
<b>Balance at the end of the year</b>	<b>25,736,262</b>	<b>21,662,253</b>

## Summary of Significant accounting policies and other explanatory information for the year ended 31 March 2016 (*Cont'd*)

### 6 BORROWINGS

	As at 31 March 2016		As at 31 March 2015	
	Long-term ₹	Short-term ₹	Long-term ₹	Short-term ₹
<b>Secured</b>				
Term loan	-	-	15,000,000	-
Less: Current maturities of long-term borrowings (Also, refer note 10)	-	-	(5,500,000)	-
	-	-	<b>9,500,000</b>	-
Buyer's credit	-	9,498,914	-	-
Working capital loans	-	234,538,381	-	245,873,731
Line of credit	-	29,232,308	-	2,818,651
		<b>273,269,603</b>	-	<b>248,692,382</b>
<b>TOTAL</b>	-	<b>273,269,603</b>	<b>9,500,000</b>	<b>248,692,382</b>

#### (I) AXISCADES Engineering Technologies Limited

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

Term loan from a bank is secured by exclusive charge on both movable and immovable assets of the company; first charge on land and building of the Company situated at D-30 Sector 3, Noida, UP.

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. Additionally, 10% cash margin in the form of fixed deposits lien to be maintained if the packing credit and foreign currency ('PCFC') availment exceeds ₹ 100 million.

Buyer's Credit from a bank is secured by exclusive charge on both movable and immovable assets of the Company; first charge on land and building of the Company situated at D-30 Sector 3, Noida, UP.

##### (b) Terms of borrowings and rate of interest

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

Working capital loans consists of packing credit facility in foreign currency and bank overdraft. Packing credit in foreign currency from bank bearing an interest rate of 3% - 5% (31 March 2015: 3% - 6%) are repayable over a maximum tenure of 180 days from the date of respective availment. Bank overdraft bears an interest rate of 12.75 % p.a.

Buyer's credit is repayable on 5 August 2016 bearing an interest rate of 1.39% p.a.

#### (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% p.a (31 March 2015: 2.50%).

## Summary of Significant accounting policies and other explanatory information for the year ended 31 March 2016 (Cont'd)

### 7 PROVISIONS

	As at 31 March 2016		As at 31 March 2015	
	Long-term ₹	Short-term ₹	Long-term ₹	Short-term ₹
<b>Provision for employee benefits</b>				
Gratuity (Also, refer note 8(a))	33,788,563	2,058,635	28,048,066	1,029,667
Compensated absences	14,929,777	3,540,759	12,527,089	2,117,063
	<b>48,718,340</b>	<b>5,599,394</b>	<b>40,575,155</b>	<b>3,146,730</b>
<b>Other provisions</b>				
Fringe benefit tax, net of advance taxes	-	-	-	916,335
Provision for tax (net of advance tax)	-	5,642,467	-	9,479,528
Provision for lease payments	5,539,335	2,451,778	7,945,452	997,368
	<b>5,539,335</b>	<b>8,094,245</b>	<b>7,945,452</b>	<b>11,393,231</b>
	<b>54,257,675</b>	<b>13,693,639</b>	<b>48,520,607</b>	<b>14,539,961</b>

### 8 EMPLOYEE BENEFIT OBLIGATIONS

#### (a) Gratuity

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

	Year ended 31 March 2016	Year ended 31 March 2015
	₹	₹
<b>Changes in the present value of the defined benefit obligation are as follows:</b>		
Defined benefit obligation at the beginning of the year	29,077,733	22,365,738
Current service cost	7,633,959	7,830,871
Past service cost	-	(572,925)
Interest cost	2,290,762	1,968,375
Benefits paid	(4,087,302)	(3,379,975)
Actuarial loss	932,046	865,649
Defined benefit obligation at the end of the year	<b>35,847,198</b>	<b>29,077,733</b>
<b>Components of net gratuity costs are:</b>		
Current service cost	7,633,959	7,830,871
Past service cost	-	(572,925)
Interest on defined benefit obligation	2,290,762	1,968,375
Net actuarial gains	932,046	865,649
Expenses recognised in the Statement of Profit and Loss for the year	<b>10,856,767</b>	<b>10,091,970</b>

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

Discount rate	7.58% - 7.9%	7.81% - 8%
Salary escalation rate	5.6% - 20%	5.6% - 20%
Retirement age	58 - 60 Years	58 - 60 Years

## Summary of Significant accounting policies and other explanatory information for the year ended 31 March 2016 (Cont'd)

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

	31 March 2012	31 March 2013	31 March 2014	31 March 2015	31 March 2016
Experience adjustments	(343,681)	(583,563)	498,600	(361,852)	15,670
Net liability recognised in the Balance Sheet	11,927,490	14,487,115	22,365,738	29,077,733	35,847,198

#### (b) Defined contribution plan

The Company makes contribution of statutory provident fund as per Employees Provident Fund and Miscellaneous Provision Act, 1952 for its Indian employees. This is a defined contribution plan as per AS 15. Contribution made during the year ended 31 March 2016 is ₹ 34,109,454 (31 March 2015: ₹ 28,698,028).

#### (c) Overseas social security

The Company makes contribution towards social security charges for its employees located at the branch office and subsidiaries 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 2016 is ₹ 139,671,255 (31 March 2015: ₹ 118,853,069).

The Company has no obligation beyond the contribution made under these plans referred to in (b) and (c) above.

## 9 TRADE PAYABLES

	As at 31 March 2016	As at 31 March 2015
	₹	₹
Total outstanding dues of micro enterprises and small enterprises	-	-
Dues to others	182,696,448	116,665,948
	<b>182,696,448</b>	<b>116,665,948</b>

## 10 OTHER CURRENT LIABILITIES

	As at 31 March 2016	As at 31 March 2015
	₹	₹
Duties and taxes payable	107,752,944	53,533,563
Advance from customers	12,179,641	51,500,819
Unearned revenue	-	2,450,000
Dues to employees	137,959,923	43,877,073
Current maturities of long-term borrowings (Also, refer note 6)	-	5,500,000
Book overdraft	10,574,274	3,632,457
Hedge liability	-	4,053,241
Creditors for capital goods	10,793,347	4,488,460
	<b>279,260,129</b>	<b>169,035,613</b>

## Summary of Significant accounting policies and other explanatory information for the year ended 31 March 2016 (Cont'd)

### 11A TANGIBLE ASSETS

	Free hold land	Computers	Furniture and fixtures	Office equipment	Electrical installations	Vehicles	Office building	Leasehold improvements	Total
<b>Gross block</b>									(Amount in ₹)
Balance as at 1 April 2014	2,264,437	125,452,831	26,631,280	56,659,030	2,059,794	1,756,331	16,581,724	11,611,050	243,016,477
Additions	-	14,218,879	348,820	3,249,553	-	3,077,581	-	269,587	21,164,420
Deletions	-	(92,694)	(342,495)	(275,497)	-	-	-	-	(680,686)
Other adjustments*	-	669,359	28,913	1,599,083	-	-	-	(38,993)	2,258,362
<b>Balance as at 31 March 2015</b>	<b>2,264,437</b>	<b>140,278,375</b>	<b>26,666,518</b>	<b>61,232,169</b>	<b>2,059,794</b>	<b>4,833,912</b>	<b>16,581,724</b>	<b>11,841,644</b>	<b>265,758,573</b>
Additions	-	46,928,546	1,068,058	2,616,119	-	5,266,311	-	-	55,879,034
Deletions	-	-	-	(255,375)	-	-	-	-	(255,375)
Other adjustments*	-	1,423,753	280,837	1,750,269	-	-	-	155,263	3,610,122
<b>Balance as at 31 March 2016</b>	<b>2,264,437</b>	<b>188,630,674</b>	<b>28,015,413</b>	<b>65,343,182</b>	<b>2,059,794</b>	<b>10,100,223</b>	<b>16,581,724</b>	<b>11,996,907</b>	<b>324,992,354</b>
<b>Accumulated depreciation</b>									
Balance as at 1 April 2014	-	97,974,839	15,434,423	44,314,994	2,059,794	1,756,330	3,580,206	6,301,193	171,421,779
Charge for the year	-	21,144,792	3,135,696	3,000,119	-	374,369	270,282	1,316,405	29,241,663
Deletions	-	(62,694)	(76,833)	(7,766)	-	-	-	-	(147,293)
Other adjustments*	-	586,203	(68,915)	1,665,151	-	-	-	(38,979)	2,143,460
<b>Balance as at 31 March 2015</b>	<b>-</b>	<b>119,643,140</b>	<b>18,424,371</b>	<b>48,972,498</b>	<b>2,059,794</b>	<b>2,130,699</b>	<b>3,850,488</b>	<b>7,578,619</b>	<b>202,659,609</b>
Charge for the year	-	21,296,566	2,717,007	3,389,645	-	1,192,355	271,023	1,344,920	30,211,516
Deletions	-	-	-	(255,375)	-	-	-	-	(255,375)
Other adjustments*	-	1,087,426	130,505	2,006,208	-	-	-	155,258	3,379,397
<b>Balance as at 31 March 2016</b>	<b>-</b>	<b>142,027,132</b>	<b>21,271,883</b>	<b>54,112,976</b>	<b>2,059,794</b>	<b>3,323,054</b>	<b>4,121,511</b>	<b>9,078,797</b>	<b>235,995,147</b>
<b>Net block</b>									
At 31 March 2015	2,264,437	20,635,235	8,242,147	12,259,671	-	2,703,213	12,731,236	4,263,025	63,098,964
At 31 March 2016	2,264,437	46,603,542	6,743,530	11,230,206	-	6,777,169	12,460,213	2,918,110	88,997,207

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

### 11B INTANGIBLE ASSETS

	Non-competitive fee	Computer software	Process manuals	Goodwill on amalgamation	Total
<b>Gross block</b>					
Balance as at 1 April 2014	1,971,000	356,948,584	40,830,631	16,445,348	416,195,563
Additions	-	24,379,538	142,657,005	-	167,036,543
Other adjustments*	-	1,607,312	-	-	1,607,312
<b>Balance as at 31 March 2015</b>	<b>1,971,000</b>	<b>382,935,434</b>	<b>183,487,636</b>	<b>16,445,348</b>	<b>584,839,418</b>
Additions	-	22,236,419	-	-	22,236,419
Other adjustments*	-	2,114,844	-	-	2,114,844
<b>Balance as at 31 March 2016</b>	<b>1,971,000</b>	<b>407,286,697</b>	<b>183,487,636</b>	<b>16,445,348</b>	<b>609,190,681</b>
<b>Accumulated amortisation</b>					
Balance as at 1 April 2014	1,971,000	312,677,455	3,198,246	16,445,348	334,292,049
Charge for the year	-	34,868,102	29,243,634	-	64,111,736
Other adjustments*	-	1,568,294	-	-	1,568,294
<b>Balance as at 31 March 2015</b>	<b>1,971,000</b>	<b>349,113,851</b>	<b>32,441,880</b>	<b>16,445,348</b>	<b>399,972,079</b>
Charge for the year	-	22,566,488	49,088,379	-	71,654,867
Other adjustments*	-	2,081,278	-	-	2,081,278
<b>Balance as at 31 March 2016</b>	<b>1,971,000</b>	<b>373,761,617</b>	<b>81,530,259</b>	<b>16,445,348</b>	<b>473,708,224</b>
<b>Net block</b>					
At 31 March 2015	-	33,821,583	151,045,756	-	184,867,339
At 31 March 2016	-	33,525,080	101,957,377	-	135,482,457

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

## Summary of Significant accounting policies and other explanatory information for the year ended 31 March 2016 (Cont'd)

### 11C INTANGIBLE ASSETS UNDER DEVELOPMENT

(Amount in ₹)

	Process manuals	Software	Total
Balance as at 1 April 2014	141,349,987	-	141,349,987
Additions during the year	1,307,018	-	1,307,018
Less: Capitalised during the year	(142,657,005)	-	(142,657,005)
<b>Balance as at 31 March 2015</b>	-	-	-
Additions during the year	-	11,163,459	11,163,459
Less: Capitalised during the year	-	-	-
<b>Balance as at 31 March 2016</b>	-	<b>11,163,459</b>	<b>11,163,459</b>

### 12 INVESTMENTS

#### Non-Current Investments

(Non trade, Unquoted, valued at cost unless stated otherwise)

	As at 31 March 2016		As at 31 March 2015	
	Long-term ₹	Short-term ₹	Long-term ₹	Short-term ₹
<b>A Trade</b>				
<b>Investments in equity instruments</b>				
Axis Cogent Global Limited 946,822 (31 March 2015 - 946,822) equity shares of ₹ 10 each	10,913,660	-	10,913,660	-
Datum Technology Limited 50,000 (31 March 2015 - 50,000) equity shares of ₹ 10 each	500,000	-	500,000	-
<b>Less: Provision for diminution in the value of long term investments</b>				
Axis Cogent Global Limited and Datum Technology Limited	(11,413,660)	-	(11,413,660)	-
<b>B Others</b>				
National Savings Certificates	5,000	-	5,000	-
LIC Nomura Liquid Fund	-	-	-	3,567,102
	<b>5,000</b>	-	<b>5,000</b>	<b>3,567,102</b>

### 13 DEFERRED TAXES

	As at 31 March 2016 ₹	As at 31 March 2015 ₹
<b>Deferred tax assets</b>		
Provision for doubtful trade receivables	-	7,402,923
Provision for unbilled revenue	3,632,934	3,632,935
Provision for employee benefits	18,869,259	15,960,585
Lease rent equalisation	2,726,217	3,052,584
Expenses disallowed under section 35DD of Income-tax Act, 1961	6,732,898	6,103,350
Provision for doubtful duties and taxes recoverable	501,375	501,375
Unabsorbed carry forward losses	2,100,700	721,359
Timing difference on depreciation and amortisation	416,915	-
<b>TOTAL</b>	<b>34,980,298</b>	<b>37,375,111</b>
<b>Deferred tax liabilities</b>		
Timing difference on depreciation and amortisation	7,758,005	10,992,031
<b>TOTAL</b>	<b>7,758,005</b>	<b>10,992,031</b>
<b>Deferred tax assets, net</b>	<b>27,222,293</b>	<b>26,383,080</b>

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.

## Summary of Significant accounting policies and other explanatory information for the year ended 31 March 2016 (Cont'd)

### 14 LOANS AND ADVANCES

	As at 31 March 2016		As at 31 March 2015	
	Long-term ₹	Short-term ₹	Long-term ₹	Short-term ₹
<b>(Unsecured, considered good)</b>				
<b>Security deposit</b>	51,947,971	5,341,568	50,223,988	4,040,111
	<b>51,947,971</b>	<b>5,341,568</b>	<b>50,223,988</b>	<b>4,040,111</b>
<b>Loans and advances to related parties</b>				
Fellow subsidiary (Refer note (a) and (b) below)	137,500,000	24,000,000	-	-
	<b>137,500,000</b>	<b>24,000,000</b>	-	-
<b>Other loans and advances *</b>				
Advance income tax (net of provision for tax)	30,271,601	-	54,690,050	-
MAT credit entitlement	-	-	18,915,392	-
Duties and taxes recoverable	500,454	21,930,375	4,343,990	12,380,725
Prepaid expenses	4,909,483	35,792,832	5,250,233	33,524,886
Advances to employees	-	7,159,842	-	9,123,470
Advance to suppliers	-	465,162	-	5,787,000
Other advances	-	3,988,936	-	4,485,627
	<b>35,681,538</b>	<b>69,337,147</b>	<b>83,199,665</b>	<b>65,301,708</b>
<b>(Unsecured, considered doubtful)</b>				
Duties and taxes recoverable	-	1,448,725	-	1,448,725
Allowances for doubtful duties and taxes recoverable	-	(1,448,725)	-	(1,448,725)
	-	-	-	-
	<b>225,129,509</b>	<b>98,678,715</b>	<b>133,423,653</b>	<b>69,341,819</b>

(a) The Board of Directors approved an ICD of ₹ 150,000,000 to AXISCADES Aerospace & Technologies Private Limited (ACATPL), a fellow subsidiary of the Company, at an interest rate of Company's maximum borrowing rate plus 1% per annum payable on a quarterly basis and other such terms and conditions that are on arm's length basis and in the ordinary course of business. The Company has advanced ₹ 137,500,000 to ACATPL during the year ended 31 March 2016. The ICD extended is in the nature of working capital assistance to ACATPL for a period of two years from the effective date of the ICD agreement. This amount may be extended beyond the two years based on mutual agreement.

(b) The Company's subsidiary CADES Studec Technologies (India) Private Limited has also extended an ICD to ACATPL, a fellow subsidiary, amounting to ₹ 24,000,000 carrying interest rate of 11% per annum and the ICD is repayable on demand.

\*Advances recoverable in cash or kind

### 15 OTHER ASSETS

	As at 31 March 2016		As at 31 March 2015	
	Non-current ₹	Current ₹	Non-current ₹	Current ₹
Unbilled revenue				
Considered good	-	359,960,173	-	279,031,000
Doubtful	-	10,497,386	-	10,497,386
		370,457,559		289,528,386
Less: Allowances for doubtful unbilled revenue	-	(10,497,386)	-	(10,497,386)
		359,960,173		279,031,000
Interest accrued on fixed deposits	-	2,372,481	-	4,233,494
Interest accrued on ICD (Also, refer note 14(a) and (b))	-	3,220,959	-	-
Hedge asset	-	8,297,996	-	964,794
Bank deposits with maturity of more than 12 months (Also, refer note 17)	15,041,965	-	5,017,500	-
Long term trade receivables	1,312,325	-	1,312,325	-
	<b>16,354,290</b>	<b>373,851,609</b>	<b>6,329,825</b>	<b>284,229,288</b>

## Summary of Significant accounting policies and other explanatory information for the year ended 31 March 2016 (Cont'd)

### 16 TRADE RECEIVABLES

(Unsecured)

	As at	As at
	31 March 2016	31 March 2015
	₹	₹
Outstanding for a period exceeding six months from the date they are due for payment		
Considered good	7,904,959	8,665,251
Doubtful	-	21,390,785
	7,904,959	30,056,036
Less: Allowances for doubtful debts	-	(21,390,785)
	7,904,959	8,665,251
Other debts		
Considered good	834,380,928	597,434,058
	842,285,887	606,099,309
	<b>842,285,887</b>	<b>606,099,309</b>

As at 31 March 2016, trade receivables include a sum of ₹ 2,370,765 (31 March 2015: ₹ 9,543,335) 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.

### 17 CASH AND BANK BALANCES

	As at		As at	
	31 March 2016		31 March 2015	
	Non-current	Current	Non-current	Current
	₹	₹	₹	₹
<b>Cash and cash equivalents</b>				
Balances with banks in current accounts	-	262,581,280	-	164,947,613
Cash on hand	-	296,562	-	182,700
	-	262,877,842	-	165,130,313
<b>Other bank balances</b>				
Deposits with maturity more than 3 months but less than 12 months	-	44,828,548	-	71,096,583
Margin money deposits (Refer note (a) below)	15,041,965	27,729,294	5,017,500	27,750,159
	15,041,965	72,557,842	5,017,500	98,846,742
Less: Amounts disclosed as other non-current assets (Also, refer note 15)				
Margin money deposits	(15,041,965)	-	(5,017,500)	-
	-	<b>335,435,684</b>	-	<b>263,977,055</b>

**(a) Fixed deposits given as security:**

- Fixed deposits of a carrying amount ₹ 40,998,265 (31 March 2015: ₹ 32,036,959) have been deposited as margin money at 10% against the Packing credit facility loan availed from a bank.
- Deposits of a carrying amount ₹ 1,772,994 (31 March 2015: ₹ 718,200) have been deposited as bank guarantee towards lien on customs department and various customers.

### 18 REVENUE FROM OPERATIONS

	Year ended	Year ended
	31 March 2016	31 March 2015
	₹	₹
Engineering design services	3,753,888,481	3,175,892,736
	<b>3,753,888,481</b>	<b>3,175,892,736</b>

## Summary of Significant accounting policies and other explanatory information for the year ended 31 March 2016 (Cont'd)

### 19 OTHER INCOME

	Year ended 31 March 2016	Year ended 31 March 2015
	₹	₹
Interest income		
- from fixed deposits	7,816,757	6,357,066
- on income tax refund	-	1,086,687
- Interest on ICD	3,220,959	-
- lease deposits	3,835,417	3,278,327
Net gain on foreign currency transaction and translation	20,705,799	-
Miscellaneous income	1,144,275	642,437
Provision no longer required, written back	2,267,977	4,238,988
Rental income	-	617,400
Dividend income	191,939	317,102
	<b>39,183,123</b>	<b>16,538,007</b>

### 20 EMPLOYEE BENEFIT EXPENSES

	Year ended 31 March 2016	Year ended 31 March 2015
	₹	₹
Salaries, wages and bonus <sup>1</sup>	2,032,438,221	1,794,882,385
Contribution to provident and other funds	34,626,273	29,387,112
Contribution to overseas social security	139,671,255	118,853,069
Staff welfare expense	57,393,030	54,213,930
Provision for gratuity (Also, refer note 8(a))	10,856,767	10,091,970
Provision for compensated absences	5,781,952	4,182,508
	<b>2,280,767,498</b>	<b>2,011,610,974</b>

<sup>1</sup> Net of salary costs of ₹ Nil (31 March 2015: ₹ 788,977) capitalised towards creation of intangible assets under development.

### 21 DEPRECIATION AND AMORTISATION EXPENSE

	Year ended 31 March 2016	Year ended 31 March 2015
	₹	₹
Depreciation of tangible assets (Also, refer note 11 A)	30,211,516	29,241,663
Amortisation of intangible assets (Also, refer note 11 B)	71,654,867	64,111,736
	<b>101,866,383</b>	<b>93,353,399</b>

### 22 FINANCE COSTS

	Year ended 31 March 2016	Year ended 31 March 2015
	₹	₹
Interest on		
- Loan from bank	9,835,655	14,783,156
- Intercompany deposit	-	107,425
- Statutory payments	2,639,410	-
Other borrowing cost (processing fees)	5,892,725	8,641,700
	<b>18,367,790</b>	<b>23,532,281</b>

## Summary of Significant accounting policies and other explanatory information for the year ended 31 March 2016 (Cont'd)

### 23 OTHER EXPENSES

	Year ended 31 March 2016	Year ended 31 March 2015
	₹	₹
Rent	108,541,036	105,035,339
Power and fuel	26,003,420	24,769,264
Travelling and conveyance	163,723,614	166,052,087
Repairs and maintenance		
- Building	20,039,992	21,914,172
- Others	7,444,822	5,089,329
Recruitment and training expenses	19,432,806	16,142,326
Communication expenses <sup>1</sup>	33,326,820	29,650,147
Equipment hire charges	14,154,558	38,521,829
Legal and professional charges	66,343,858	60,167,676
Auditor's remuneration	4,184,519	2,959,463
Printing and stationery	4,349,424	2,934,866
Security charges	4,436,602	3,398,179
Rates and taxes	8,537,256	9,121,850
Other recoverable written off	2,629,496	-
Project consultancy charges	286,717,301	139,600,241
Software subscription charges	77,195,766	63,722,483
Infrastructure usage charges	28,548,619	13,168,361
Directors sitting fees	8,280,000	2,530,000
Sales commission and brokerage	1,001,341	1,390,209
Marketing and advertising expenses	32,647,024	16,408,681
Insurance expenses	11,454,878	9,939,479
Bank charges	2,197,473	1,530,778
Postage and courier charges	1,933,209	1,466,418
Provision for doubtful debts	-	4,212,288
Bad debts written off	684,096	-
Net loss on foreign currency transactions and translations	-	3,534,456
Corporate social responsibility expenses (Also, refer note 26)	2,484,000	1,937,000
Miscellaneous expenses	2,378,122	893,370
	<b>938,670,052</b>	<b>746,090,291</b>

<sup>1</sup> Net of internet charges of ₹ Nil (31 March 2015: ₹ 518,041) capitalised towards creation of intangible assets under development.

### 24 EXCEPTIONAL ITEMS

	Year ended 31 March 2016	Year ended 31 March 2015
	₹	₹
Merger expenses (Refer note (a) below)	5,928,000	-
Stamp duty (Refer note (b) below)	-	22,294,578
Provision for diminution in value of long-term investment		
- Axis Cogent Global Limited	-	7,413,658
	<b>5,928,000</b>	<b>29,708,236</b>

(a) The Board of Directors of ACETL at its meeting held on 14 August 2015, has approved the acquisition of AXISCADES Aerospace & Technologies Private Limited ("ACATL"), an aerospace, defence and homeland security technologies company by way of a Scheme of Amalgamation of India Aviation Training Institute Private Limited ("IAT") with AXISCADES Engineering Technologies Limited ("ACETL"). ACATL is 100% subsidiary of IAT. Shareholders of IAT (holding company of ACATL) will receive 10 (ten) shares in ACETL for every 45 (forty five) shares held by them in IAT. The transaction is proposed to be completed via a Scheme of Amalgamation. The appointed date of the Scheme is 1 April 2016 or any other date as may be directed by the Hon'ble Court of Karnataka and the Scheme is subject to the approval of the requisite shareholders and creditors of ACETL and IAT, the Honourable High Court and the permission and approval of any other statutory or regulatory authorities, as applicable. The Company has filed the draft Scheme of Amalgamation with the Stock Exchanges under clause 24(f) of the Listing Agreement on 2 September 2015. No complaints with this respect have been received from

## Summary of Significant accounting policies and other explanatory information for the year ended 31 March 2016 (Cont'd)

any stakeholder during the specified period and the Report as on 13 October 2015 has been submitted to that effect with the Stock Exchanges. Further, the Scheme has got the approval from the shareholders and creditors on 25 April 2016 in the Court Convened Meeting and petition to that effect has been filed with the Hon'ble High Court of Karnataka.

- (b) Pursuant to the allotment of equity shares as per the Scheme (Also, refer note 3(a)), the Company has remitted stamp duty expense on the transaction amounting to ₹ Nil during the year ended March 2016 (31 March 2015: ₹22,294,578)

### 25 EARNINGS PER SHARE (BASIC AND DILUTED)

	Year ended 31 March 2016	Year ended 31 March 2015
a) Profit after tax attributable to equity shareholders (₹)	285,799,642	194,115,610
b) Weighted average number of shares outstanding	27,189,593	25,228,820
c) Nominal value of shares (₹)	5.00	5.00
d) Basic earnings per share (₹)	10.51	7.69
e) Number of equity shares used to compute diluted earnings per share	27,189,593	25,228,820
f) Diluted earnings per share (₹)	10.51	7.69

### 26 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 2016 amounts to ₹ 2,484,000. The Company has paid ₹ 2,484,000 (31 March 2015: ₹ 1,937,000) to three 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.

### 27 RELATED PARTY DISCLOSURES

- | Nature of relationship                                    | Name of party   |
|---|---|
| <b>i. Parties where control exists:</b>                   |   |
| Holding Company   | Jupiter Capital Private Limited ('JCPL')                      |
| <b>ii. Name and relationship of other related parties</b> |   |
| Fellow Subsidiary   | AXISCADES Aerospace & Technologies Private Limited            |
| <b>iii. Key management personnel:</b>                     |   |
| Vice Chairman and Executive Director                      | Mr. Sudhakar Gande (appointed w.e.f. 14 August 2015)          |
| Chief Executive Officer and Director                      | Mr. Valmeekanathan S.   |
| Chief Financial Officer                                   | Mr. Kaushik Sarkar (resigned as Director w.e.f. 25 June 2015) |
| <b>iv. Transactions with related parties:</b>             |   |

(Amount in ₹)

Nature of transaction	Relationship	Total	
		31 March 2016	31 March 2015
<b>Revenue from operations</b>			
AXISCADES Aerospace & Technologies Private Limited	Fellow subsidiary	-	45,000,000
<b>Expenses incurred on behalf of</b>			
AXISCADES Aerospace & Technologies Private Limited	Fellow subsidiary	-	13,025,683
<b>Expenses recovered from</b>			
AXISCADES Aerospace & Technologies Private Limited	Fellow subsidiary	-	14,003,022
<b>Intercorporate deposits repaid</b>			
AXISCADES Aerospace & Technologies Private Limited	Fellow subsidiary	-	7,707,895
<b>Remuneration</b>			
Mr. Sudhakar Gande *	Key management personnel	15,612,903	-
Mr. Valmeekanathan S.	Key management personnel	13,380,000	11,580,000
Mr. Kaushik Sarkar	Key management personnel	8,694,624	3,957,244

## Summary of Significant accounting policies and other explanatory information for the year ended 31 March 2016 (*Cont'd*)

(Amount in ₹)

Nature of transaction	Relationship	Total	
		31 March 2016	31 March 2015
<b>Interest expense on intercorporate deposits</b>			
AXISCADES Aerospace & Technologies Private Limited	Fellow subsidiary	-	18,583
<b>Intercorporate deposits extended</b>			
AXISCADES Aerospace & Technologies Private Limited	Fellow subsidiary	161,500,000	-
<b>Interest income on intercorporate deposit</b>			
AXISCADES Aerospace & Technologies Private Limited	Fellow subsidiary	4,176,663	-
<b>Capital expenditure reimbursed</b>			
Jupiter Capital Private Limited	Holding Company	113,178	-
<b>Travel expenses reimbursed</b>			
AXISCADES Aerospace & Technologies Private Limited	Fellow subsidiary	2,483,135	-

\* During the year ended 31 March 2016, the Company had made an application to the Central Government under Section 196 and 197 read with Schedule V of the Companies Act, 2013 seeking approval to authorise the payment of managerial remuneration in excess of the limits as laid down in Section 197(1) of the Companies Act, 2013 to Mr. Sudhakar Gande, who has been appointed as a Whole Time Director of the Company w.e.f. 14 August 2015. On 2 May 2016, the Central Government in terms of Section 197(3) of the Companies Act, 2013 has approved the remuneration payable to the aforesaid managerial personnel from the date of the appointment and consequently, the Company has recorded managerial remuneration payable as per the terms of appointment for the financial year ended 31 March 2016.

### v. Balances as at the year end:

(Amount in ₹)

Nature of transaction	Relationship	Total	
		31 March 2016	31 March 2015
<b>Trade receivables</b>			
AXISCADES Aerospace & Technologies Private Limited	Fellow subsidiary	-	50,562,000
<b>Intercorporate deposit receivable</b>			
AXISCADES Aerospace & Technologies Private Limited	Fellow subsidiary	161,500,000	-
<b>Remuneration payable</b>			
Mr. Sudhakar Gande	Key Management Personnel	6,400,000	-
Mr. Valmeekanathan S.	Key Management Personnel	3,840,000	1,500,000
Mr. Kaushik Sarkar	Key Management Personnel	2,037,600	411,885
<b>Corporate guarantee outstanding</b>			
AXISCADES Aerospace & Technologies Private Limited	Fellow subsidiary	-	355,000,000
<b>Interest receivable</b>			
AXISCADES Aerospace & Technologies Private Limited	Fellow subsidiary	3,220,959	-

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

The lease expenses for cancellable and non-cancellable operating leases during the year ended 31 March 2016 was ₹ 108,541,036 (31 March 2015: ₹ 105,035,339)

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

Payments falling due:	As at	As at
	31 March 2016	31 March 2015
	₹	₹
Not later than one year	25,674,975	30,386,043
Later than one year but not later than 5 years	25,630,898	37,467,253
Later than 5 years	-	-
	<b>51,305,873</b>	<b>67,853,296</b>

The Group's significant leasing arrangements in respect of operating leases for office premises, which includes both cancellable and non cancellable leases generally range between 11 months to 9 years 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.

## Summary of Significant accounting policies and other explanatory information for the year ended 31 March 2016 (Cont'd)

### 29 SEGMENT REPORTING

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

Particulars	Asia Pacific		Europe		USA		Total	
	31 March 2016	31 March 2015						
External sales	545,182,676	475,816,732	1,897,995,571	1,438,704,134	1,310,710,234	1,261,371,870	3,753,888,481	3,175,892,736

### 30 TRANSFER PRICING

The Company is required to use certain specified methods in computing arm's length price of international transactions between the associated enterprises and maintain prescribed information and documents relating to such transactions. The appropriate method to be adopted will depend on the nature of transactions / class of transactions, class of associated persons, functions performed and other factors, which have been prescribed. The Company is in the process of updating the Transfer Pricing documentation for the financial year ending 31 March 2016 following a detailed transfer pricing study conducted for the financial year ended 31 March 2015. In the opinion of the management, the same would not have an impact on these financial statements. Accordingly, these financial statements do not include the effect of the transfer pricing implications, if any.

### 31 DISCLOSURE OF ADDITIONAL INFORMATION PURSUANT 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
<b>A. Parent</b>				
AXISCADES Engineering Technologies Limited	73.31%	1,156,017,082	91.95%	262,800,813
<b>B. Subsidiaries</b>				
<b>i. Indian</b>				
Cades Studec Technologies (India) Private Limited	6.80%	107,234,432	5.94%	16,975,040
<b>ii. Foreign</b>				
Axis Inc., U.S.A.	12.22%	192,764,204	(8.21%)	(23,455,435)
AXISCADES UK Limited (formerly known as Axis EU Europe Limited, a step down subsidiary)	3.64%	57,442,496	(3.21%)	(9,171,936)
AXISCADES Technology Canada Inc. (formerly known as Cades Technology Canada Inc.)	8.90%	140,417,878	15.38%	43,945,559
Axis Mechanical Engineering Design (Wuxi) Co., Limited	(0.07%)	(1,083,599)	(0.13%)	(373,745)
<b>TOTAL</b>		<b>1,652,792,493</b>		<b>290,720,296</b>
<b>C. Adjustments arising out of consolidation</b>	(3.18%)	(50,103,267)	(0.30%)	(846,645)
<b>D. Minority interest in all subsidiaries</b>				
<b>i. Indian</b>				
Cades Studec Technologies (India) Private Limited	(1.63%)	(25,736,262)	(1.43%)	(4,074,009)
<b>E. Joint Ventures</b>				
<b>TOTAL</b>		(25,736,262)		(4,074,009)
Consolidated Net Assets/ Profit after tax	<b>100%</b>	<b>1,576,952,964</b>	<b>100%</b>	<b>285,799,642</b>

## Summary of Significant accounting policies and other explanatory information for the year ended 31 March 2016 (Cont'd)

### 32 DERIVATIVE INSTRUMENTS AND UNHEDGED FOREIGN CURRENCY EXPOSURE

The following are the outstanding derivatives contracts entered into by the Company and unhedged foreign currency exposures:

Particulars	31 March 2016				31 March 2015						
	Currency	Conversion rate	Total Amount in foreign currency	Hedged Amount in foreign currency	Unhedged Amount in foreign currency	Unhedged Amount in ₹	Conversion rate	Total Amount in foreign currency	Hedged Amount in foreign currency	Unhedged Amount in foreign currency	Unhedged Amount in ₹
<b>I) Assets:</b>											
Trade receivables	USD	66.33	6,329,965	6,250,000	79,965	5,304,310	62.59	7,733,461	7,733,461	-	-
	EURO	75.10	861,436	700,000	161,436	12,123,117	67.51	739,418	-	739,418	49,918,420
	GBP	95.09	-	-	-	-	92.46	-	-	-	-
Unbilled revenue	USD	66.33	4,188,715	-	4,188,715	277,849,615	62.59	3,139,224	-	3,139,224	196,486,563
	EURO	75.10	74,072	-	74,072	5,562,474	67.51	104,758	-	104,758	7,072,254
Cash & cash equivalents	USD	66.33	664,930	-	664,930	44,106,735	62.59	779,819	-	779,819	48,809,495
	EURO	75.10	441,134	-	441,134	33,127,178	67.51	439,235	-	439,235	29,652,931
	AED	18.04	142,961	-	142,961	2,578,802	-	-	-	-	-
	DKK	10.17	1,343,928	-	1,343,928	13,668,339	0.06	14,717,944	-	14,717,944	830,063
	KRW	0.06	1,442,718	-	1,442,718	83,826	0.52	47,041	-	47,041	24,513
	JPY	0.52	-	-	-	-	67.51	40,223	-	40,223	2,715,471
Duties and taxes	EURO	-	-	-	-	-	-	-	-	-	-
<b>II) Liabilities:</b>											
Trade payables	USD	66.33	45,701	-	45,701	3,031,479	62.59	324,772	-	324,772	20,327,722
	EURO	75.10	745,838	-	745,838	56,009,105	67.51	81,327	-	81,327	5,490,415
	DKK	10.17	3,125	-	3,125	31,783	0.52	300,000	-	300,000	156,330
Dues to employees	GBP	95.09	-	-	-	-	-	-	-	-	-
	USD	66.33	-	-	-	-	62.59	48,895	-	48,895	3,060,408
	EURO	75.10	373,872	-	373,872	28,076,105	67.51	85,546	-	85,546	5,775,211
	DKK	10.17	342,539	-	342,539	3,483,772	0.52	-	-	-	-
Duties and taxes payable	EURO	75.10	652,911	-	652,911	49,030,678	67.51	-	-	-	-
	KRW	0.06	3,707,709	-	3,707,709	215,429	0.06	7,415,190	-	7,415,190	418,202
	DKK	10.17	945,969	-	945,969	9,620,921	0.52	-	-	-	-
Creditors for capital goods	GBP	-	-	-	-	-	92.46	123	-	123	11,372
	EURO	75.10	5,375	-	5,375	403,638	-	-	-	-	-
Working capital loans	USD	66.33	3,382,127	-	3,382,127	224,346,288	62.59	3,165,445	-	3,165,445	198,127,735
<b>III) Commitments:</b>											
Capital commitments	EURO	75.10	15,120	-	15,120	1,135,444	-	-	-	-	-

## Summary of Significant accounting policies and other explanatory information for the year ended 31 March 2016 (Cont'd)

### 33 DETAILS OF SUBSIDIARY COMPANIES

(Amount in ₹)

Particulars	AXISCADES UK Limited (formerly known as Axis EU Europe Limited)	Axis Inc., U.S.A.	Cades Studtec Technologies (India) Private Limited	AXISCADES Technology Canada Inc. (formerly known as Cades Technology Canada Inc.)	Axis Mechanical Engineering Design (Wuxi) Co., Ltd.
Country	UK	USA	India	Canada	China
Functional Currency	GBP	USD	INR	CAD	RMB
Closing exchange rate	95.09	66.33	1.00	51.10	10.26
Share capital	54,720,977	149,065,084	6,250,000	5,110	4,623,722
Reserves and surplus	2,721,519	43,699,120	100,984,432	140,412,768	(5,707,321)
Total assets	106,220,935	296,991,492	124,186,987	211,323,936	1,177,228
Total liabilities	106,220,935	296,991,492	124,186,987	211,323,936	1,177,228
Revenue from operations*	263,300,986	921,898,566	161,731,087	363,986,269	-
Profit/ (loss) before tax*	(10,571,626)	(23,455,435)	24,795,493	62,129,217	(373,745)
Tax expense*	(1,399,691)	-	7,820,453	18,183,658	-
Profit/ (loss) after tax*	(9,171,936)	(23,455,435)	16,975,040	43,945,559	(373,745)

\* Converted using annual average exchange rates.

### 34 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  
30 May 2016

For and on behalf of the Board of Directors of **AXISCADES Engineering Technologies Limited**

Sd/-  
**Valmeekanathan S.**  
Chief Executive Officer and Director  
DIN: 05297798

Sd/-  
**Kaushik Sarkar**  
Chief Financial Officer

Bengaluru  
30 May 2016

Sd/-  
**Kedarnath Choudhury**  
Director  
DIN: 01519514

Sd/-  
**Shweta Agrawal**  
Company Secretary  
Membership no.: 14148

Bengaluru  
30 May 2016

# NOTICE

NOTICE is hereby given that the Twenty Sixth (26th) Annual General Meeting (AGM) of the members of **AXISCADES Engineering Technologies Limited** (formerly known as Axis-IT&T Limited) will be held at Sathya Sai Samskruta Sadanam, No. 20, Hosur Road, Bengaluru- 560029, Karnataka, India, on **Monday, September 26, 2016 at 11.00 a.m. IST** to transact the following businesses:

## ORDINARY BUSINESS

### Item No. 1 - Adoption of Audited Financial Statements

To receive, consider and adopt the Financial Statements of the company for the year ended March 31, 2016 including the Audited Balance sheet as on 31st March 2016, the Statement of Profit and Loss and Cash Flow Statement, for the year ended on that date (including the consolidated financial statements) together with the report of the Board of Directors and Auditors thereon.

### Item No. 2 - Appointment of Director, Mr. Kedarnath Choudhury, liable to retire by rotation

To appoint a Director in place of Mr. Kedarnath Choudhury (DIN No. 01519514), who retires by rotation and being eligible, offers himself for re-appointment.

### Item No. 3 - Appointment of Director, Mr. Rohitasava Chand, liable to retire by rotation

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. 4 - Ratification of the appointment of Auditors

To consider and if thought fit, to pass the following resolution as an ordinary resolution:

**“RESOLVED THAT** the appointment (including ratification of 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 and other applicable provisions of the Companies Act, 2013 and the rules made thereunder, by the shareholders in the Annual General Meeting (AGM) held on September 9, 2014, be and is hereby ratified to hold office until the conclusion of the Twenty Seventh (27th) Annual General Meeting of the Company, 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, 2017 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 - Amendments to the Memorandum of Association (MOA) of the Company

To consider and, if thought fit, to pass the following resolution as a Special Resolution:

**“RESOLVED THAT** pursuant to the provisions of Sections 4, 13 and any other applicable provisions, if any, of the Companies Act, 2013, (including

any statutory modification(s) or re-enactment(s) thereof), and subject to the necessary registrations, approvals, consents, permissions and sanctions required, if any, from the jurisdictional Registrar of Companies, and any other appropriate authority and subject to such terms, conditions, amendments or modifications as may be required or suggested by any such appropriate authorities, and pursuant to the approval of the Board of Directors of the Company, consent of the members of the Company be and is hereby accorded to replace, alter, modify and revise the existing set the Memorandum of Association of the Company as under:

1. Substituting the heading of Clause III (A), “THE MAIN OBJECTS OF THE COMPANY TO BE PURSUED BY THE COMPANY ON ITS INCORPORATION” with the heading “THE OBJECTS TO BE PURSUED BY THE COMPANY ON ITS INCORPORATION ARE”.
2. Substituting the heading of Clause III (B), “THE OBJECTS INCIDENTAL OR ANCILLARY TO THE ATTAINMENT OF THE MAIN OBJECTS ARE” with the heading “MATTERS WHICH ARE NECESSARY FOR FURTHERANCE OF THE OBJECTS SPECIFIED IN CLAUSE 3 (A)”.
3. The sub-clause 23 of Clause III (B) shall be substituted with:  
Subject to Sections 391 to 394 of the Act or any amendment for the time being in force, to amalgamate with any other company in any manner whose objects are altogether or in part similar to those of this company.
4. The following clauses be inserted after sub-clause 27 of Clause III (B) of the Memorandum of Association of the Company:  
28. To promote the art and science of flying and aeronautics in all its aspects and all matters connected therewith and for that purpose to establish an integrated training institute to impart training in flying on all kinds of aircrafts, civil or military, to amateurs, individuals, professional, pilot staff of corporate sector, cadets such as Coastal Guard Cadets, Personnel of Police and Para Military Forces, BSF, Territorial Army, Air Force etc. in accordance with the rules and regulations of the Department. Of civil aviation and any other law, if any, of the land for the time being in force and to train, instruct members and other persons in the art of engineering, residential or otherwise including link simulators or any other field

or activity related to or incidental to or connected with aviation in accordance with the rules and regulations laid down by the Director General of Civil Aviation and any other applicable law.

29. To provide comprehensive trainings for pilots, cabin crews and maintenance Engineers, both ground training and initial flight training by setting up different teaching schools viz., specialized workshops, Engines, avionics, labs and simulators for imparting the various aviation training facilities.
30. To provide training for Airport Staff by setting up classrooms with airline operating systems viz., Reservation System, Operating System and the Communication system. To organize and conduct training programmes for pilots viz., Private Pilot License (PPL), Commercial Pilot License (CPL/IR) and Advance Course Multi Engine Rating (MER) and Aircraft Maintenance Engineering (AME), Aeronautic Engineering for mechanics, Cabin Crew Service Training (CST) for Cabin Crew, Flight and ramp Dispatcher and Airport Commercial Staff for ground staff. To incur expenses of formation of the company and to enter into any local or foreign technical or other collaboration.
31. To run flying clubs for the persons from all walks and spheres on such terms and conditions as to admission thereto and continuance as members thereof and management of the affairs of the club as may be prescribed by the Board and subject to the rules and regulations approved by the Director General of civil aviation and to promote manage and conduct aviation and other sports, tournaments, exhibitions, meetings and seminars like aerobatics, ballooning hand glides, wind-surfing races, athletics' and others including race –courses .
32. To develop the sites for airport, runways by acquiring land and engage in construction of buildings to act as manufacturers, builders, developers, erectors or otherwise dealers in hangars, runways, structures and equipments.
33. To undertake cyber-security-related research and development, relevant security standards, security testing including accreditation process, and cyber-security related product development, undertake skill development and capacity building through training, consulting and advisory services.
34. To carry on the business of electrical engineers of electricians, contractors, manufacturers, Constructors, suppliers of and dealers in electric and other appliances, electric motors, fans, lamps, furnace, household appliances, batteries, cables wire lines, dry cells accumulators, lamps and works and to generate, distribute and supply electricity for the purpose of light, heat, motive power and for all other purposes for which electrical energy can be employed, and to manufacture and deal in apparatus and things, required for or capable of being used in connection with the generation, distribution supply accumulation, and employment of electricity, including in the term electricity all power that may be directly or indirectly derived there from or may be incidentally hereinafter discovered in dealing with electricity.
35. To manufacture, assemble, fabricate, import, export, buy, sell, distribute, lease out or otherwise deal in all kinds and types of hand tools such as spanners, wrenches, pliers, water pump pliers allenkeys, screw drivers, wrench, sledge hammers, pick axes, nuts, bolts, holt lipers, wire cutters, hacksaw blades, socket sets, vices, screws, automatic machine able materials, tools, jigs, fixtures, electronic and mechanical instruments, goods and equipment, and allied products use in any industry or for defence, communications, aviation, transport, medical research recreational educational or domestic purpose and install, service or repair, overhaul, maintain all such equipment.
36. To manufacture, produce press, vulcanize, retread, export, import, purchase sell and generally to carry on business in tyres and semi-tyres for different types of vehicle including buses, omnibuses, charabances, trucks, lorries automobiles, motor-cycle, tractors, aeroplanes, and also in Industrial lyres inner tubes, flaps, miscellaneous repair materials and other articles and appliances made within or from natural or synthetic rubber, its compounds, substances, derivatives and their substitutes, or use the same in combination with any metallic or non-metallic substances, vulcanite leather, rayon, hessian or plastics.
37. To carry on the business as buyers, sellers' importers, exporters, lessors, distributors, agents, brokers, factors, stockists, commission agents and dealers of Engineering goods, machine tools, hand tools, small tools, metals alloys iron pipe fittings' units and bolts, bicycles and accessories. Automobiles and automobile parts, steel and stainless steels and iron products, ores and scrips metallurgical residues, hides, skins, leather goods, furs bristles tobacco (raw and manufactured) hemp seeds, oils and cakes, Vanaspati, textiles, fibre and waste coir and jute and products thereof, wood and timber, bones, crushed and uncrushed, industrial diamonds, coal charcoal,

glue gums and resins ivory lac, shellac, manures, pulp or wood, rags, rubber, tanning substance, wax, quartz, crystal chemicals and chemical preparations plastic and linoleum articles, glass and glass ware, handicrafts, handloom toys, liquid gold, precious stones, appliance, machinery and mill work and parts thereof, paper and stationery, sports goods, textiles including decorative. hand and machine-made, readymade garments, carpets rugs drug gets artificial silk fabrics, cotton, woollen cloth and all sorts of apparels, dressing materials, cosmetics wigs, belting, cinematograph films exposed gramophone records, rubber. plastic goods. starch, umbrellas, crown corks, batteries, surgical and musical instruments, marble and hardware items, traditional calendars, all kinds of books and manuscripts, electric and electronic products of all kinds, sanitary wares and fittings, woollen textiles, natural fibre products, cellulosic and cellulosic products mixed blended product, nylon, polyester fibre, yam, hosiery and mixed fabrics, natural silk fabrics and garments, fish and fish products fodder, bran, fruits nuts, cashewnuts, kernels, grains, pulses, grains, pulses, flour, confectionery, provisions, alcohol, beverages perfumed spirits, spices and tea, coffee, sugar and molasses, vegetable products, processed foods and packed food products.

5. The reference to various sections on the Companies Act, 1956 be replaced with the reference to the corresponding sections of the Companies Act, 2013.
6. Adopting the number format for the clauses of MOA as prescribed under Table A of Schedule I of the Companies Act, 2013.
7. The existing Part C titled 'Other Object' of the Object clause in the MOA of the Company be deleted.
8. Making necessary corrections to spelling errors, grammatical errors, typographical errors as may be required in the existing Sub Clauses of III (B) of the Memorandum of Association of the Company.
9. Amending Clause IV of the Memorandum of Association of the Company as follows:  
*"The liability of the members is limited and this liability is limited to the amount unpaid, if any, on shares held by them."*

**RESOLVED FURTHER THAT** the Board of Directors or the Company Secretary of the Company be and is hereby authorized to take all such actions as may be necessary, desirable or expedient and to do all such acts, deeds, matters and things as may be incidental or pertinent to give effect to the aforesaid resolution."

#### **Item No. 6 - Adoption of new set of Articles of Association (AOA) of the Company**

To consider and, if thought fit, to pass the following resolution as a Special Resolution:

**"RESOLVED THAT** pursuant to the provisions of Sections 5, 14 and all other applicable provisions, if any, of the Companies Act, 2013 (the 'Act') read with Companies (Incorporation) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof), and subject to the necessary registrations, approvals, consents, permissions and sanctions required, if any, from the jurisdictional Registrar of Companies, and any other appropriate authority and subject to such terms, conditions, amendments or modifications as may be required or suggested by any such appropriate authorities, consent of the members of the Company be and is hereby accorded for adoption of the new set of Articles of Association of the Company from clauses 1 to 93 in place and in entire exclusion and substitution of the existing Articles of Association of the Company.

**RESOLVED FURTHER THAT** the Board of Directors of the Company or the Company Secretary be and is hereby authorized to take all such actions as may be necessary, desirable or expedient and to do all such acts, deeds and things as may be incidental or pertinent to give effect to the aforesaid resolution."

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

Sd/-  
**Shweta Agrawal**  
Company Secretary

**Place: Bengaluru**

**Date: June 16, 2016**

**Registered office**

Block C, 2nd Floor, Kirloskar Business Park,  
Bengaluru-560024.

CIN: L72200KA1990PLC084435,

e-mail : info@axiscades.com

#### **NOTES:**

1. 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.
2. 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.
3. 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.

4. All alterations made in the Form of Proxy should be initiated.
5. Only registered Equity Shareholders, as on September 20, 2016, of the Applicant Company may attend and vote either in person or by proxy or by an authorised representative under Section 113 of the Companies Act, 2013 at the Equity Shareholders' meeting. The Annual Report is being sent to the shareholders registered with the company as on August 19, 2016.
6. 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.
7. Registered Equity Shareholders are informed that in case of joint holders attending the meeting, only such joint holders whose name stands first in the Register of Members of the Applicant Company in respect of such holding will be entitled to vote.
8. 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.
9. All the documents referred to in the accompanying notice, unless otherwise specified, are open for inspection at the Registered office of the Company on all working days, during the business hours between 9.00 am to 6.00 pm, upto the date of the AGM. Register of Directors and Key Managerial Personnel and their Shareholding and the Register of Contracts and Arrangements in which Directors are interested shall be kept open for inspection at the meeting to any person having right to attend the meeting.
10. For the convenience of the members, an attendance slip is annexed. Members are requested to affix their signatures in the space provided and fill the particulars and hand over the attendance slip at the Registration Counter at the venue of the Meeting.

The members need to furnish the printed Attendance slip along with a valid identity proof such as the PAN card, passport, AADHAR card or driving license to enter the AGM hall.

11. Members, who hold the shares in physical form, are requested to provide their email id, in case the same has not been provided earlier and notify changes 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.

12. The Securities and Exchange Board of India has mandated the submission of the Permanent Account Number (PAN) by every participant in the securities market. 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. Members holding shares in electronic form are requested to submit their PAN to their Depository Participant(s).
13. A copy of the Annual Report along with the Notice of the 26th Annual General Meeting, stating the process and the 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.
14. The Annual Report along with the Notice of the 26th Annual General Meeting and other attachments will also be available on the Company's website at [www.axiscades.com](http://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 upto the date of AGM.
15. Information 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 Companies (Management and Administration) Amendment Rules, 2015) and Regulation 44 of the SEBI (LODR) Regulations 2015, 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 20, 2016, being the cutoff 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 20, 2016**, 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](mailto: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.

16. The Board of Directors of the Company have appointed Mr. Anant Khamankar (Membership No. 3198) a Practising Company Secretary, 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.
17. The Scrutinizer, after scrutinizing the votes cast at the meeting by Poll and remote e-voting, will not later than forty eight hours of conclusion of the Meeting, make a consolidated Scrutinizer's Report and submit the same to the Chairman. The Chairman shall declare the results within forty eight hours of the conclusion of the meeting.

**The results declared along with the consolidated Scrutinizer's Report shall be placed on the website of the Company [www.axiscades.com](http://www.axiscades.com) and on the website of Karvy <https://evoting.karvy.com>. The results shall simultaneously be communicated to the Stock Exchanges.**

18. 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 26, 2016.

#### 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 Thursday, September 22, 2016**

**End of remote e-voting: 05:00 p.m. (IST) on Sunday, September 25, 2016**

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:
- Open your web browser during the voting period by typing the URL: <https://evoting.karvy.com>.
  - 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.
  - After entering these details appropriately, click on "LOGIN".
  - 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.**
  - You need to login again with the new credentials.
  - 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.
  - 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](mailto:khamankar@gmail.com) with a copy marked to [evoting@karvy.com](mailto: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).

By Order of the Board of Directors

**For AXISCADES Engineering Technologies Limited**

Place : Bengaluru  
Date : June 16, 2016

Sd/-  
Shweta Agrawal  
Company Secretary

## **EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013**

### **ITEM NO. 5**

Upon enactment of the Companies Act, 2013, various provisions of the Companies Act, 1956 have been repealed and in view of the same, it is proposed to re-align the Memorandum of Association of the Company as per the provisions of the Companies Act, 2013.

Accordingly, it is proposed to adopt a new set of Memorandum of Association of the Company, primarily based on Table "A" of Schedule I of the Companies Act, 2013 which sets out the model Memorandum of Association for a Company limited by Shares.

As per Section 4 and 13 of the Companies Act, 2013, read with Companies (Incorporation) Rules, 2014, any alterations proposed to be made in the Memorandum of Association of the Company requires the approval of the members vide a Special Resolution.

Accordingly, the Board of Directors of the Company seek the approval of the members of the Company for the aforesaid alteration by way of a Special Resolution. A copy of the altered Memorandum of Association will be available for inspection at the Annual General Meeting and such copy will be so made available for inspection in physical or in electronic form during the business hours i.e. from 9:00 a.m. to 6:00 p.m. at the Registered office of the Company at Block C, Second Floor, Kirloskar Business Park, Bengaluru - 560024 and is also available on the website of the company till the date of AGM.

None of the Directors and/or Key Managerial Personnel of the Company and their relatives is in any way concerned or interested, financially or otherwise, in the Resolution set out at Item No. 5 of the Notice.

### **ITEM NO. 6**

Upon enactment of the Companies Act, 2013, various provisions of the Companies Act, 1956 have been repealed and in view of the same, it is proposed to re-align the Articles of Association of the Company as per the provisions of the Companies Act, 2013.

Accordingly, it is proposed to adopt a new set of Articles of Association of the Company, primarily based on Table "F" of Schedule I of the Companies Act, 2013, which sets out the model Articles of Association for a Company limited by Shares, in place of the existing Articles of Association, except in so far such regulations are embodied in the said Articles.

By virtue of Section 5 and Section 14 of the Companies Act, 2013, the approval of Members is required by way of Special Resolution in General Meeting to amend the Articles of Association of the Company.

Accordingly, the Board of Directors of the Company seek the approval of the members of the Company for the aforesaid alteration by way of a Special Resolution. A copy of the altered Articles of Association will be available for inspection at the Annual General Meeting and such copy will be so made available for inspection in physical or in electronic form during the business hours i.e. from 9:00 a.m. to 6:00 p.m. at the registered office of the Company at Block C, Second Floor, Kirloskar Business Park, Bengaluru - 560024 and is also available on the website of the Company till the date of AGM.

None of the Directors and/or Key Managerial Personnel of the Company and their relatives except to the extent of their shareholding in the Company is in any way concerned or interested, financially or otherwise, in the Resolution set out at Item No. 6 of the Notice.

**Additional information on Directors recommended for appointment / re-appointment as required under Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015**



**Mr. Kedarnath Choudhury**

Kedarnath Choudhury holds B.Sc in Physics, Qualified Chartered Accountant (CA) and Cost & Works Accountant (CWA). He has a wide work experience in Multinational and Indian Corporates across Service, Manufacturing, Financial Sectors. He has technical expertise in the areas of controlling function, Accounting, FP&A, M&A, Compliance and ERP implementation.

**Date of Birth:** May 22, 1966

**Date of Appointment:** October 31, 2008

**Relationship between directors inter-se:** He is not related to any Director inter-se.

Kedarnath Choudhury does not hold the directorship or membership in the Committee of any other Listed entity.

**Shareholding in the Company:** Kedarnath Choudhury does not hold any equity share of the Company.



**Mr. Rohitasava Chand**

Rohitasava Chand holds B. Tech from IIT, Delhi and MBA from KATZ, University of Pittsburgh, USA. He has Wide experience in the IT Industry. He has been awarded the IIT-Delhi Alumni Award for outstanding contribution to National Development.

**Date of Birth:** October 21, 1946

**Date of Appointment:** July 28, 1999

**Relationship between directors inter-se:** He is not related to any Director inter-se.

Rohitasava Chand holds directorship in Khandwala Securities Limited. He is a member in Stakeholder Relationship Committee and Nomination & Remuneration Committee of Khandwala Securities Limited.

**Shareholding in the Company:** Rohitasava Chand does not hold any equity share of the Company.



