



EXPANDING OUR HORIZONS



CONTENTS

A

Pg 02-09

CORPORATE OVERVIEW

- 02** Company Overview
- 03** Highlights of our Business Verticals
- 04** Chairman's Message
- 06** Exciting Developments that Expand Horizons
- 08** Board of Directors

B

Pg 10-57

STATUTORY REPORTS

- 10** Management Discussion & Analysis
- 17** Board's Report & Annexures
- 45** Report on Corporate Governance

C

Pg 58-136

FINANCIAL STATEMENTS

- 58** Standalone
- 91** Consolidated
- 129** Notice



View this report online at
www.axiscades.com



In this report, we use the terms 'AXISCADES', 'the Company', 'we', 'us' and 'our' to refer to AXISCADES Engineering Technologies Limited.

WE ARE EXCITED ABOUT OUR FUTURE

The recent closing of the acquisition of AXISCADES Aerospace & Technologies Private Limited (ACATL) opens up new vistas of opportunities. Leveraging our combined technical and domain strength, proven global delivery capability and unparalleled talent, it powers our potential to soar higher.

We have expanded our horizons with the signing of new agreements, renewal of existing contracts and enhancement of our marquee customer base. As an organisation with a strong impetus for sustained value creation, we continue to broaden our service offerings and enhance our competencies to expand our horizons organically. As a company AXISCADES is at an inflection point and well positioned to capitalize and benefit from these opportunities.

There are very few companies in India that can execute at the scale and technical level that AXISCADES is known for delivering in the global engineering market, in its chosen segments. Our capabilities have only enhanced further with the synergistic acquisition and by reinforcing competitive differentiators.

EXPANDING HORIZONS THROUGH STRONG GROWTH PIVOTS

COMPANY OVERVIEW

AXISCADES Engineering Technologies Limited (AXISCADES) is a leading Product Engineering Solutions Company catering to the futuristic needs of Aerospace, Defence & Homeland Security, Heavy Engineering, Automotive & Industrial Products, Energy and Medical & Healthcare sectors.

AXISCADES offers product engineering solutions across Design, Development and Lifecycle Support in the areas of mechanical engineering, embedded engineering, system integration, manufacturing engineering and aftermarket support.

AXISCADES is a partner to global OEMs in building safe, smart, sustainable and innovative solutions. Our solutions integrate the technical know-how, industry best practices and delivery excellence, by placing customer needs at the core of our business. The company's continuous endeavor is to deliver value to its customers through its strong talent of 1600 employees spread across 14 locations.

OPERATIONAL HIGHLIGHTS

EXPANDING CAPABILITIES & PRESENCE

Acquisition of ACATL creating a strong Product engineering Solution organization thus augmenting horizontal and vertical service offerings

Strengthened local German presence with a subsidiary to meet the requirements of European Defence and Space sector

STRONG CUSTOMER RELATIONSHIP

Won a dedicated offshore development center contract from Airbus covering Fuselage, Wings and Defence divisions despite tough competition from Indian and European suppliers

Selected as key partner for design and development of Automated Testing Equipment for a European Defense OEM as part of their global supply chain

NEW VERTICALS & ALLIANCES

Incubated Medical & Healthcare practice with ISO 13485 certification

Signed MoUs with European hi-tech companies, in the areas of Drone, Virtual Reality and Simulation

HIGHLIGHTS OF OUR BUSINESS VERTICALS



AEROSPACE

- Long term strategic relationship with Aerospace OEMs and Tier 1 suppliers
- Solutions range from concept generation phase to manufacturing support and certification
- Integrated solutions for interiors, electrical systems, structures, avionics, mechanical systems



DEFENCE

- Partnering the Defence industry by addressing the strategic needs across air, ground and marine systems
- Authorised India Offset Partner (IOP) for various global OEMs and have successfully established strategic partnerships for executing Offset obligations
- Certified for Defence manufacturing in India



HEAVY ENGINEERING

- Largest engineering services partner to leading global OEM
- Product Engineering Solutions addressing design services, virtual validation and value engineering
- Expertise in New Product Initiatives, Reverse Engineering, Continuous Product Improvement, & end to end Product development



AUTOMOTIVE & INDUSTRIAL PRODUCTION

- Comprehensive portfolio of services to global OEMs and Tier 1 suppliers
- Providing value across the entire product lifecycle from concept evaluation phase to the after start of production phase
- Facilitating design and development of high quality products with lower cost and shorter lead time



ENERGY

- Dedicated offshore development centre in order to provide design, design support and other associated engineering services to leading manufacturer of wind turbines



MEDICAL & HEALTHCARE

- Enabling OEMs to develop reliable medical devices through systems thinking approach
- Capabilities include design & development, optimization, Verification & Validation, firmware & application development and remediation services
- Providing value edge for product localization through differentiating capabilities

CHAIRMAN'S MESSAGE



Dear Stakeholders,
It gives me great pleasure to report that the fiscal year 2016-17 was a milestone year for AXISCADES. It marked the completion of the acquisition of AXISCADES Aerospace & Technologies Private Limited (ACATL), which we had commenced upon in the previous year. Driven by this synergistic acquisition as well as the progress we have made across our various verticals, we are distinctly better positioned for growth and value creation.

BUSINESS DEVELOPMENT & GROWTH

Reinforcing our technical capabilities and high standard of quality, we are proud to share that AXISCADES has won the contract for the dedicated offshore development centre from Airbus with enhanced scope covering Fuselage, Wings and Defence. Your Company has secured an order to deliver advanced simulation products to the Ministry of Defence against stiff international competition. The year saw us being selected as the Preferred Global Supplier by a global OEM in Europe for supply of Automated Testing Equipment. We have added many new clients in the year, seven of which have the potential to contribute significantly to your Company's growth in the coming years. Further, we have opened a subsidiary in Germany to meet the requirements of European Defence and Space sector. We have strengthened our team through the appointment of domain experts with extensive experience in newer focus areas like medical & healthcare and embedded engineering. The efforts have started delivering value with good customer traction and a good sales pipeline across these segments.

While we continue to remain focussed on growing our business organically, our strong balance sheet enables us to aggressively mine for other opportunities and to grow the business inorganically. Select areas like embedded software, innovative and sustainable product development and medical & healthcare segments provide ample opportunity to expand our scope of services and the addressable market.

INVESTING IN OUR COMPETENCIES

We continue to invest in development and acquisition of competencies that will provide us with the agility and technical superiority to deliver exceptional offerings. During the year, we signed agreements with many leading European Technology companies, which will enable us to address the growing market for new age technologies in the Indian Defence and Aerospace sector. In addition, our recent

MoU for a joint venture with one of the world's leading engineering company enables us to unlock huge opportunities in the Energy and Nuclear Engineering sector.

We continue to develop an eco-system around technical partnerships which over a period adds to our in-house capabilities. This strategy has served us well, enabling us to grow one Aerospace account from scratch to excess of USD 20 million in 6 years.

ACATL ACQUISITION

In the third quarter of FY2017, we closed the acquisition of ACATL, a company providing product, system integration and deep technology solutions, to aerospace, defence and homeland security sector. With this acquisition, we now have expanded opportunities that leverage our combined strengths, technical capabilities, processes, talent and global reach. The integration will enable us to deepen existing relationships with cross-selling opportunities, while enhancing our client base, moving us progressively forward on our objective of delivering sustained shareholder value.

With this strategic acquisition, AXISCADES has a competitive edge to address large domestic and global programmes. Given the government's strong focus on developing indigenous manufacturing capabilities in Aerospace & Defence and on the Make in India initiative, this offers enormous opportunities for us as an offset partner for global OEMs and to be a part of their global supply chain.

FINANCIAL PERFORMANCE

FY 16-17 was a challenging environment on multiple fronts; this was further compounded with slow-down particularly in our heavy engineering segment, resulting in a marginal increase in total income by 0.5% from ₹ 3,793 million in FY 15-16 to ₹ 3,813 million in FY 16-17. However, total income on a consolidated basis increased from ₹ 3,793 million to ₹ 4,990 million, a growth of 32% over FY 2015-16, mainly attributable to the acquisition. Operating

margin excluding the impact of the acquisition stands at 8.6% vis-à-vis 15.1% in the previous year. The decline is largely attributable to challenges in Heavy Engineering segment, one specific account in aerospace, additional partner costs to deliver contracts in new areas and further investments in leadership hiring. Operating margin for ACATL stood at 18.4%. The consolidated profit after tax (PAT), after minority interest, for the year stood at ₹ 131 million, impacted by lower revenue and higher expenses.

MARKET OPPORTUNITY

On the macro-front, the global ER&D market offers a broad array of opportunities. As per NASSCOM's Strategic Review 2017 for ER&D, global sourcing of ER&D is at USD 80 billion; India's share in global sourcing stood at 28% amounting to USD 22.5 billion. Going forward, India's ER&D segment is attractively poised for a high CAGR of 15% to reach USD 70-90 billion by 2025, a three-fold increase in revenue. As a reputed and well-established company in this industry, we remain optimistic of benefiting from these expected developments.

The offset opportunity is estimated to be USD 8 billion per year in the next five years based on the current capital purchase programme of the Indian Defence forces. AXISCADES is involved in meeting the critical needs of Indian Defence forces and has established itself as a key partner to the country's Defence requirements. Leveraging our strong track record and industry expertise, the government's 'Make in India' opens a gamut of opportunities for your Company.

In the heavy engineering segment, as I write this, we are witnessing encouraging signs of investments starting to flow into infrastructure development globally, which makes us hopeful that revenues from this business vertical should revive in the coming quarters.

PARTING THOUGHTS

AXISCADES will continue to push the envelope in terms of innovation and execution

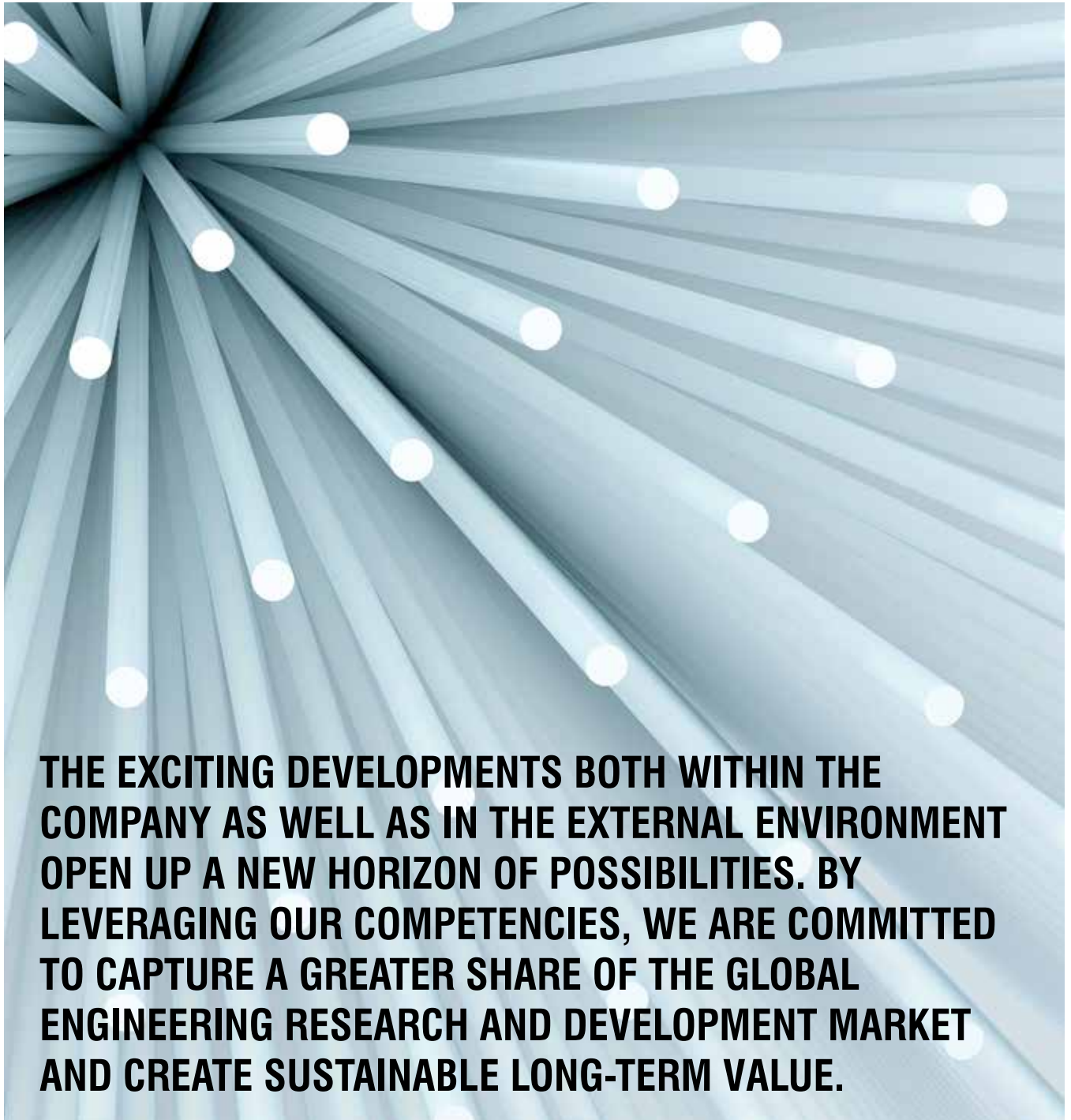
excellence. Driving and achieving operating efficiency is the key to our success, regardless of the headwinds that we may face. This uncompromising commitment to performance is what we firmly believe advances client addition, expansion of projects and our long-term success. Leveraging our long expertise in highly regulated sectors like aerospace and defence and world-class product engineering capabilities for high-technology industries, we will expand our solutions to new areas and improve our value proposition. And last but not the least; unleashing the new strength of AXISCADES post acquisition, we remain upbeat about expanding our horizons and delivering beyond expectations in the long run.

On behalf of the Board, I would like to thank every member of our team for their contributions to another successful year. I would also like to express my gratitude to our shareholders, partners, customers, vendors and creditors for their continued support. We are prepared and excited for the journey ahead as we lead AXISCADES into new possibilities.

Dr. Vivek Mansingh

Chairman

EXCITING DEVELOPMENTS THAT EXPAND HORIZONS



THE EXCITING DEVELOPMENTS BOTH WITHIN THE COMPANY AS WELL AS IN THE EXTERNAL ENVIRONMENT OPEN UP A NEW HORIZON OF POSSIBILITIES. BY LEVERAGING OUR COMPETENCIES, WE ARE COMMITTED TO CAPTURE A GREATER SHARE OF THE GLOBAL ENGINEERING RESEARCH AND DEVELOPMENT MARKET AND CREATE SUSTAINABLE LONG-TERM VALUE.

ACATL ACQUISITION

A landmark development of the year was completion of the acquisition of ACATL. With ACATL's strong technical capabilities in electronics, software simulation and system integration, this acquisition is highly synergistic for our Aerospace and Defence vertical. It will enable us to increase our bandwidth of service offerings, augment our capabilities, deepen existing customer relationships with cross-sell opportunities across our target industries and expand our target addressable market. This in turn will help us to create better long-term value for all our stakeholders.

IMPROVING OUR VALUE PROPOSITION

Today's complex business environment makes it imperative to engineer agile solutions that leverage new-age technologies. Aligned to this, we are taking steady strides in select areas of embedded electronics, industrial automation, product lifecycle management, knowledge-based engineering, engineering analytics, etc. These competitive differentiators will enable us to make our customers' products a lot more intelligent than in the past and their business more digitally driven.

ENHANCING OUR MARQUEE CUSTOMER BASE

The acquisition of ACATL provides a competitive edge by enabling us to increase the scope of our services. This positions us at a vantage point to seize the burgeoning opportunities in terms of offset business and being part of the global supply chain. By effectively serving customer needs, we are enhancing our customer base as well as strengthening our relationships with them.

Acquiring high-end technical capabilities: To address the imminent requirements in aerospace, defence, emerging areas like cyber security, we have entered into collaborations with leading global companies in the new-age

technology space. Our agreements with Drone Volt and E2M Technologies will enable us to bolster our competencies in addressing the growing market for unmanned aerial vehicles (UAV), more popularly known as drones, in the Indian defence and aerospace sector. With Virtual Reality Media, a Slovakian company, an agreement has been signed for addressing the requirements of Russian platforms, such as the Dornier 228 aircraft.

INDIA EVOLVING AS A GLOBAL HUB IN DEFENCE MANUFACTURING

Apart from an increase in demand for expensive military equipment, among the most important trend in the Indian defence sector is the call for localization of military production in the country with the Government's clarion call to the world - 'Make in India'. This increase in Indian Defence spend and Offset obligations are creating huge opportunities in aerospace and defence product design and development activities. With our proven capabilities in the aerospace and defence vertical, sectors that are highly regulated and with strong entry barriers, we are well-poised to capture a significant slice of the pie and scale greater heights.

DIVERSIFYING INTO NEW VERTICALS

Our robust balance sheet provides us the financial strength and flexibility for capturing inorganic growth opportunities. Leveraging our domain expertise, we are constantly evaluating opportunities in new areas such as medical devices, which will help us move up the value chain.

Sustained investment in people: People are at the heart of our success and we are making continued investments for their development as well as strengthening our team through talent hiring and retention. During the year, we reinforced our sales and delivery leadership with the addition of senior Technical Heads to drive business growth across verticals.

Our robust sales team continues to deepen customer connect by addressing their requirements effectively.

VAST OPPORTUNITIES IN THE ER&D SEGMENT

As per the 2017 report released by Nasscom, while the Global ER&D spend witnessed flat growth in 2016, global sourcing of ER&D experienced double-digit growth of 11% over 2015 to reach USD 80 billion. Further, in recent times, India has emerged as among the popular destination for ER&D outsourcing with a 28% share, just marginally behind Europe which holds a 29% share. Going forward, offshoring by major international manufacturers in all the sectors where we are active provides tremendous growth opportunities for our Company.

BOARD OF DIRECTORS



Standing from left to right: Sidhartha Mehra, Kailash M Rustagi, Pradeep Dadlani, Kedarnath Choudhury, Valmeekanathan S., Vimmi M Trehan
Seated from left to right: Srinath Batni, Sudhakar Gande, Vivek Mansingh, Rohitasava Chand

KEY MANAGEMENT PERSONNEL



Mr. Sudhakar Gande
Vice Chairman &
Executive 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 Chandio & Co LLP
(Formerly Walker Chandio & Co)
5th Floor, No. 65/2, Bagmane Tridib, Block
"A", Bagmane Tech Park, C V Raman Nagar,
Bengaluru - 560 093, India



MANAGEMENT DISCUSSION & ANALYSIS

MANAGEMENT DISCUSSION & ANALYSIS – FY 2017

SECTOR OVERVIEW AND OPPORTUNITY

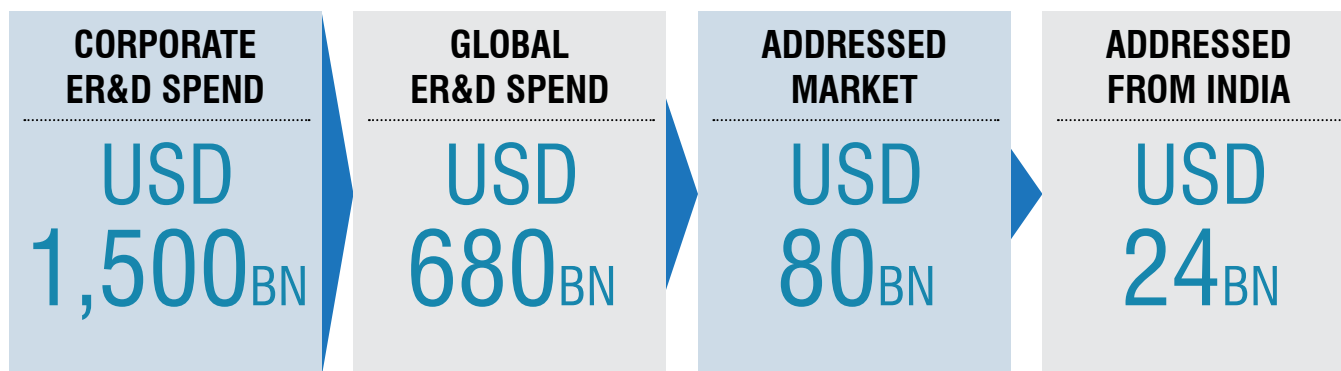
ER&D SERVICES: GLOBAL TRENDS

The global ER&D spend has been on the rise over the last several years driven by the need to build customized products at scale, strong adoption of IoT and push for lean manufacturing, increased efficiency and lower emissions. NASSCOM estimates that global ER&D spends remained flat in 2016 at US\$ 680.3 billion, impacted particularly due to the rise of the US dollar against other currencies. However, global sourcing of ER&D experienced double-digit growth of 11% over 2015 to reach US\$ 80 billion. Outsourced ER&D services market opportunity is large and underpenetrated.

ER&D SERVICES: GROWING MARKET WITH EXPANDING ROLE FOR INDIA

India is the second-largest destination for outsourced ER&D services and the largest among the low-cost sourcing locations. According to NASSCOM, India contributed US\$ 24 billion to the total addressable outsourced opportunity and has a share of over 15% of the total IT-BPM industry. The domestic market for ER&D estimated at US\$ 1.5 billion, is growing due to government's digital initiatives, smart infrastructure, clean energy, etc. Over 95% of the total ER&D revenue is (~US\$ 22.5 billion) on account of exports driven by increased R&D spend by global OEM's on software and services. The segment has almost doubled (1.9x) since FY12 driven by demand for smart/connected solutions led by the IoT revolution. Increasing penetration of software in products is driving growth in product engineering services and the resultant need for sensors/electronic components is leading to greater use of embedded systems.

ER&D outsourcing offers a large untapped market opportunity



Source: Nasscom

KEY SEGMENTS / VERTICALS

In context of geographies, with 44% share of the ER&D spend pie, USA continues to lead by focus on alternate electric power systems (solar cells, wind turbines) and improving energy efficiencies, electric propulsion systems for automobiles and trucks, etc. Europe captures one-third of the pie led by technologies in the automotive sector, alternative energy sources (e.g., wind power), healthcare equipment, etc. The third largest is Japan capturing 15% of ER&D spends due to focus on industrial robotic technologies. India is witnessing increased traction from Europe in the Industry 4.0 and automotive verticals. A further boost to India's ER&D sector is emerging from

Asia as it emerges as the hub for aerospace and through infrastructure development initiatives of emerging markets.

In terms of verticals, key drivers for specific industries include: IoT/robotics/miniaturization (medical devices), embedded sys., connectivity, fuel efficiency, electric/hybrid/ (automotive), strong demand for commercial airlines, designing new engines (aerospace), renewables (energy), etc.

INDIA ER&D OUTLOOK

The industry is witnessing consolidation in recent times for building capabilities and expanding across geographies, verticals and customers.

Engineering service providers are enhancing their capabilities by expanding their service portfolio to maintain their competitive edge with IP-based solutions and bringing in a component of technology consulting services. Alongside the offshore IT services industry, the offshore ER&D industry in India has also gradually moved up the value chain of services, increasing their participation rate in the ER&D budgets of key clients. In the early years, the value proposition was restricted to labour arbitrage for non-critical functions. Since then, the proposition has gradually progressed to include working on higher-end services, participating in complete product development life cycle and collaborating with clients on adoption of new technology. Offshore ER&D industry mimics business characteristics of offshore IT services but is on an earlier stage of the growth curve.

Given the favourable growth dynamics, NASSCOM expects the Indian ER&D market to grow 3X by 2025 to reach US\$ 70-90 billion. Other than being a low-cost location, India also provides an abundant pool of engineering talent. Over the years, many of the top ER&D spenders have thus set up ER&D divisions in India (known as GICs or global in-house centres). This in turn has led to maturing of the ER&D services ecosystem out of India over the past few years.

DEFENCE OPPORTUNITIES

The Indian Defence Industry has grown from USD 21.9 billion in 2010-11 to USD 37.3 billion in 2016-17, at a CAGR of 9.25%. India ranks among the top 10 countries in the world in terms of its military expenditure and import of defence equipment. However, only about 35% of defence equipment is manufactured in India. Moreover, even when defence products are manufactured domestically, there is a large import component at both the system and sub-system levels.

Given the above, there are huge opportunities to design and manufacture in India, to increase self-reliance in defence procurement and offset programmes. The offset opportunity alone can be over USD 8 billion per annum in the next few years, based on current capital purchase requirements.

COMPANY OVERVIEW

AXISCADES Engineering Technologies Limited (AXISCADES) is a leading Product Engineering Solutions Company catering to the futuristic needs of Aerospace, Defence, Heavy Engineering, Automotive & Industrial Products and Energy sectors. Leveraging its unique legacy in these sectors, the Company is developing technology solutions for new sectors like Medical & Healthcare and Homeland Security.

AXISCADES offers product engineering solutions across Design, Development and Lifecycle Support in the areas of mechanical engineering, embedded engineering, system integration, manufacturing engineering and aftermarket support.

AXISCADES has long-standing associations with global majors, including several Fortune 500 companies. AXISCADES has earned the trust of its elite customers by providing the technology solutions in addressing the complex engineering assignments which include rationalizing of the R&D cost, localization of products, increasing market share by accelerating time to market and implementing the knowledge-based engineering solutions.

AXISCADES is an ISO 9001:2008, ISO 27001:2013, AS 9100 C and ISO 13485 certified company. The Company has more than 1,600 engineering professionals in 14 global engineering centres spread across India, USA, Germany, France and UK.

The technical team comprises leading industry professionals with vast domain expertise who have successfully executed complex design and development projects for Indian and overseas organizations. The team also includes highly experienced engineers, designers, researchers and academicians.

AXISCADES is headquartered in Bengaluru and listed on two major Indian stock exchanges. With offices and engineering centres across the globe, AXISCADES has subsidiaries in USA (AXISCADES, INC), Germany (AXISCADES GmbH), UK (AXISCADES UK), Canada (AXISCADES Canada Technologies), India (AXISCADES Aerospace & Technologies Pvt. Ltd, CADES Studec (India) Pvt. Ltd.) and China (AXIS Mechanical Engineering Design Company Ltd.)

BUSINESS MODEL

Engineering services is characterized by deep customer engagement; AXISCADES is focussed on penetrating the existing marquee customer base by both growing the size/number of projects and expanding the breadth of the service portfolio, through innovation and developing solutions to cater to the unmet need of our customers. Key accounts with large potential to grow have been identified and dedicated account relationship managers and account delivery managers are in place, focussed on client mining and increasing wallet share from these accounts.

Our geographic presence is spread across Europe, North America and Asia Pacific region. While Europe will continue to be a key growth market, going forward, AXISCADES aims to expand its footprint in US which is a market with robust demand. The Company has a focused strategy in place to increase footprint into newer accounts and a dedicated account management team for existing key large accounts. This strategy will help in creating significant value to the customer and in turn gaining market share.

In terms of portfolio, the Company is strategically moving up the value chain keeping in view the growth drivers from solutions perspective. During the year under review, we expanded into embedded, which has been identified as a high growth area. The Company has strengthened its embedded engineering offering with the hiring of senior technical industry heads to drive growth across verticals. AXISCADES plans to further extend into adjacencies like PLM and IP/Platform-based solutions.

Value addition is the key and it is important to be present in the path of relevance of the customer, right from conceptualization to end-of-life. Leveraging its execution track record, the Company is expanding its revenue base. The Company currently caters to Aerospace, Defence, Heavy Engineering, Automotive, Energy and Medical & Healthcare. The focus is on developing specialized solution sets and unique competencies in each of these verticals which can be replicated to enter more verticals.

EXPAND BUSINESS THROUGH SELECTIVE ACQUISITIONS

AXISCADES has expanded business through a combination of organic growth, acquisitions and strategic alliances in targeted areas of verticals or products with customers. To expand its skill-sets and capabilities, the Company seeks out the best in the world by making successful alliances, collaborations and JV's.

WELL-DIVERSIFIED BUSINESS PORTFOLIO

In FY 17, AXISCADES was present across five main verticals – Aerospace, Defence, Heavy Engineering, Automotive and Energy. Some of the key highlights across the business segments are provided below:

Aerospace

- Accounted for 38.7% of the total revenue in FY17
- Partner to top 3 of 10 Aerospace OEM's and part of their global supply chain
- CoC's in Structures, Interiors, Avionics, Systems and Manufacturing engineering
- Engaged with Global OEM's from design to development to manufacturing engineering to technical publications

Defence

- Accounted for 23.0% of the total revenue in FY17
- Offset management and implementation
- Long relationship with Indian MoD, Defence Services and DPSUs
- Engaged in various aerospace, land and naval defence offset programmes

- Solutions for Land, Naval, Aerospace and Home Land Security
- Expertise in EWS, C4I2, Test Benches, GHE, System Integration and Manufacturing

Heavy Engineering

- Accounted for 29.3% of the total revenue in FY17
- Largest Engineering supplier to a North American off-highway manufacturer
- Commercial, Forestry, Construction, Turf, Agricultural, Engines
- Engineering solutions in Structures, Lube system, Hydraulic, Manufacturing Engineering

Automotive

- Accounted for 4.6% of the total revenue in FY17
- Engineering partner and GDCs for North American and EU truck and passenger car manufacturers
- Commercial vehicles, Trucks, Buses, Cars & SUVs
- Engineering solutions in BIW/CIW, Chassis, Powertrain, Interiors, Plastics, Localization

Energy

- Accounted for 4.4% of the total revenue in FY17
- Dedicated offshore development centre in order to provide design, design support and other associated engineering services to the Denmark OEM, Siemens Wind Power

KEY STRENGTHS

Pure-play ER&D player: Being a pure-play ER&D services company, AXISCADES has competitive advantages. The Company has developed a comprehensive range of service offerings that cover the entire product development lifecycle from conceptualization to implementation.

Marquee clientele: The Company works with clients whose product lifecycles are longer, this helps build long-term relationships and consistent year-on-year revenue. These long-standing client relationships are expected to aid wallet share gains going forward. Over the last 5-7 years, the Company has built a repertoire of 16 large global customers, who are Top 5 in their respective fields.

Domain expertise and technical competency: AXISCADES has been a preferred engineering supplier to multiple global OEMs across verticals. Further, the Company has won the Airbus ODC 2.0 contract for the second time in July 2016, with enhanced scope covering Fuselage & Wings (repair) for AXISCADES, through a competitive bidding process after the previous contract successfully completed its term. This demonstrates

the Company's strong competencies and continued commitment to fully support its customers' engineering needs with a pro-active approach.

The Company is a designated India Offset Partner (IOP) and has worked on Military Aircraft upgradation programme of the Indian Airforce in partnership with European OEM. The Company has developed an extensive portfolio of Defence products and solutions like the Aircraft Recognition Training System, a realistic training process used to enable personnel to effectively identify aircraft as friend or foe for intelligence gathering and quicker responses. The Company has also developed a solution for Bird Detection and Monitoring Radar System, a robust system used to effectively prevent Bird Airstrike Hazards, both Military and Civil and Air Defence Training Simulator to create life-like combat air situations that can only be experienced on the battlefield.

KEY HIGHLIGHTS / BUSINESS STRENGTHENING INITIATIVES

- AXISCADES won a dedicated Offshore Development Centre contract from Airbus with expanded scope despite tough competition from Indian and European suppliers
- The Company has received an order from the Ministry of Defence for Aircraft Recognition and Training Simulation Systems against international competition
- AXISCADES was selected as a global preferred supplier by a global OEM in Europe for Automated Testing Equipment
- The Company added 7 new clients in FY17 in Engineering Services, which have the potential to grow into US\$ 2 million+ accounts
- Completed the acquisition of AXISCADES Aerospace & Technologies Private Limited
 - Combined entity serves as a technology solutions provider to the Aerospace, Defence and Homeland Security sectors
- Started a subsidiary in Germany to meet the requirements of European Defence and Aerospace sector
- Strengthening embedded and electronics solution offerings with addition of senior technical heads to drive growth across various verticals
- Forayed into Medical & Healthcare sector with design certification in place and won small scope of work with large US company
- Signed MoU with leading European technology companies
 - Drone Volt and E2M Technologies, to address the growing market for new-age technologies in the India Aerospace and Defence sector
 - Virtual Reality Media, to evaluate opportunities for full flight simulators and to address the requirements for Russian platforms, such as Dornier 228 aircraft

FINANCIAL OVERVIEW

	(₹ Million)	
Financial Performance	FY17	FY16
Revenue from operations (\$ Million)	\$72.1	\$57.4
In Million ₹	-	-
Revenue from operations	4,836	3,754
Other income	154	39
Total income	4,990	3,793
Employee expenses	2,522	2,281
Direct expenses	670	-
Project-related expenses	398	287
Other expenses	874	652
Total expenses	4,463	3,219
Operating Margin	528	574
PBT	273	447
PAT (After Minority Interest)	131	286
EPS*	3.48	10.51
Operating Margin	10.6%	15.1%
PBT %	5.5%	11.8%
PAT % (After Minority Interest)	2.6%	7.5%

*During the year, the Company issued 1,05,69,937 shares to the shareholders of IATPL, the holding company of ACATL. Hence the EPS of FY17 is not fully comparable with that of FY16.

The consolidated performance for FY17 includes the financials of ACATL, which is now a 100% subsidiary of ACETL. Hence financials for FY16 are not strictly comparable. Starting with our consolidated performance for the full year, revenue from operation grew ~29% YoY to ₹ 4,836 million, largely driven by the acquisition of ACATL. On an organic basis, the total income was at ₹ 3,813 million in FY17 as compared to ₹ 3,793 million in FY16, impacted by the weakness in one large Heavy Engineering client in the US. The good news is that their performance has bottomed out and based on initial discussions on the growth plans, is expected to see a turnaround in FY18.

Consolidated operating margin in FY17 stood at 10.6%. Operating margin for Strategic Technology Solution business in FY17 stood at 18.4%, whereas for the Engineering Services declines to 8%. The margins for the Engineering Services were impacted due to inadequate fixed costs absorption on low revenue and significant investments made in acquiring capabilities in the form of higher project consultancy costs and investments in leadership hiring. The consolidated profit after tax stood at ₹ 131 million in FY17.

OUTLOOK

We are focused on achieving industry leading growth through deep domain expertise in our chosen verticals and by concentrating on service portfolio, technology, go-to-market strategy and geographic expansion.

The Company is present in sectors that are under-penetrated, but are scalable to deliver continuous growth. Aerospace will continue to be a key growth driver with key spends areas like Aftermarket services and avionics, fuel efficiency, alternative materials to lower weight of aircraft and growing areas of interest like homeland security, offsets and indigenous development of defence product offers a huge opportunity for end-to-end solution providers like AXISCADES.

The Automotive sector will be another key growth driver with the impetus on passenger safety, emission control, ADAS (Advance Driver Assistance Systems), hybrid/electric vehicles, connected cars with advanced infotainment systems, vehicle-to-vehicle communications, etc.

The Company leveraged its experience of working in a hi-tech and highly regulated industry like Aerospace to enter to Medical & Healthcare during the year and won its first contract. The Company expects to tap the strong growth potential of this space going ahead.

The Company expects to see increased investment in the Energy sector in India and globally. Our association with Assystem Energy and Infrastructure division will help the company foray into new Energy vertical. It is proposed to jointly establish JV in India to address the needs of the Energy majors both local and international in areas of plant design and downstream applications.

The continuous investments that have been made in acquiring competencies have expanded the Company's value proposition to its customers and resulting in high quality deal wins and pipeline. Embedded Electronics is an area which is seeing strong traction and will be a key growth driver across verticals. The MoU's, proposed JV with Assystem, deepening of relationships across existing customers and the enquiries from new customers further drives optimism towards a promising future and creation of a world-class organization.

KEY RISKS

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

Risk #1: Global economic uncertainty: Economic uncertainties in leading markets, such as the U.S. and Europe, can impact spending patterns of the Company's clients and the demand for its services.

Mitigation: The Company is constantly looking to broad-base and diversify its business mix across geographies and verticals which allow it to minimize the impact in volatile times.

Risk #2: Increased competition: Aggressive competition can lead to pressure on pricing and vendor consolidation that can impact margins.

Mitigation: The Company is constantly expanding in service portfolio and value proposition to its clients. Significant investments are made in acquiring deep domain knowledge, a skilled workforce, strong delivery capabilities, and a solution-oriented sales process to maintain its competitive positioning.

Risk #3: Shift in visa policies: Higher immigration costs due to tougher application procedures can impact margins.

Mitigation: The Company is primarily focussed on hiring local talent and the proportion of onsite employees on employment visas is negligible. Further, the Company evaluates its business mix and delivery model to mitigate the impact.

Risk #4: Integration risks in Mergers & Acquisitions: Inappropriate acquisitions or mismanaged integration may result in failure to achieve the strategic objectives of the acquisition.

Mitigation: The Company conducts extensive due diligence before any acquisition is made with cultural integration being one of the core parameters. There are well laid out post-merger plans and are periodically reviewed at the Board level.

Risk #5: Cost pressures: Increase in employee expenses and other operating expenses may create pressure on margins.

Mitigation: There is a continuous focus on increasing productivity and employee utilization. Offshoring of services is also explored wherever possible. There is a regular process of employee pyramid correction. To ensure organizational success, the Company thrives to maintain its talent pool by incorporating best employee practices.

Risk #6: Regulatory & compliance risk: Being a global company, the Company has to ensure a wide variety of legislative requirements are met with – environmental matters, employee welfare, safety, wastage, emissions, etc.

Mitigation: There is a regulatory compliance review mechanism in place to combat this risk. The Company also engages specialist consultants to be updated on the latest changes in regulations.

Risk #7: Data security risk: Sharing technological expertise with partners presents risk to data security from cyber-attacks, loss of data and damage to reputation.

Mitigation: The Company has in place firewalls, data encryptions, regular data back-ups and specific quality certified processes in place to manage this risk.

Risk #8: Currency risk: Owing to the global exposure of the business, foreign currency fluctuation poses a significant threat to the Company.

Mitigation: The Company periodically and proactively ensures management of its margins against foreign exchange movements.

Risk #9: Technology risk: Obsolescence is a big challenge for technology business given rapid pace of development.

Mitigation: The culture of innovation is inherent in the Company's DNA. The Company makes significant investments in building capabilities and undertakes skill development programmes to keep abreast the latest technological trends.

HUMAN RESOURCES

Skilled human capital is the greatest strength of the Company as it ensures that the quality and level of engineering competency provided to the clients is differentiated enough to enable the Company to create its own niche. The Company has more than 1,600 engineering professionals spread across 14 global delivery centres in India (Bengaluru, Chennai, Hyderabad and Delhi), USA (Peoria), Germany (Hamburg), France (Toulouse), and UK (Leicestershire). The technical team comprises

leading industry professionals with vast domain expertise who have successfully executed complex design and development projects for Indian and overseas organizations. The team also includes renowned engineers, designers, researchers and academicians.

During the year under review, the Company continued to strengthen its sales, delivery and technical leadership to help strengthen amongst others, the embedded engineering offering and to drive growth across verticals.

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.



BOARD'S REPORT

BOARD'S REPORT

To,
The Members,

Your Directors have pleasure in presenting the 27th Annual Report on the business and operations of the Company, together with the Financial Statement of the Company, for the financial year (FY) ended March 31, 2017. The consolidated performance of the Company and its subsidiaries has been referred to, wherever required.

1. FINANCIAL RESULTS

Particulars	Standalone		Consolidated	
	2016-17	2015-16	2016-17	2015-16
Total income	2,394.65	2,380.00	4,990.24	3,793.07
Total expenditure (before interest & depreciation)	2,082.82	1,867.97	4,462.62	3,219.44
Earnings before interest, depreciation, amortization and extra-ordinary items	311.83	512.03	527.62	573.63
Interest & finance charges	13.09	17.85	117.33	18.37
Depreciation & amortization	98.99	92.46	142.95	101.86
Earnings before Tax and Exceptional Items	199.75	401.72	267.34	453.40
Exceptional item	4.53	5.93	(5.23)	5.93
Profit before Tax (PBT)	195.22	395.79	272.57	447.47
Provision for Tax – Current & Deferred	67.03	132.99	136.83	157.60
Net Profit after Tax (PAT)	128.19	262.80	135.74	289.87
Minority Interest	0.00	0.00	4.33	4.07
Profit for the period	128.19	262.80	131.41	285.80

(₹ Million)

PERFORMANCE REVIEW

The Company continued to be the preferred engineering partner to clients in strategic technology solutions, aerospace, heavy engineering, automotive and industrial products. The year was challenging for us on various fronts. However, we continue to invest in developing & acquiring competencies, diversify into different verticals with an objective to create a Company which is world-class. The Company has remained focused on building a strong leadership team, a targeted sales team and recruitment's of experts from industry to scale up different practice lines. These, and an emphasis on delivering measurable customer value has laid down a solid platform for accelerated growth in future. The Company has driven diversification of its offerings across new verticals and competencies across geographies along with continued strengthening of internal systems and processes. With the recently announced proposed JV with Assystem, one of the world's leading engineering company, AXISCADES aims to enhance its offerings in the energy vertical.

FINANCIAL HIGHLIGHTS – STANDALONE

Total Income increased by 0.62 % to ₹ 2,394.65 million in 2016-17. EBITDA decreased by 39.10 % to ₹ 311.83 million in 2016-17. Profit before tax and exceptional items decreased by 50.28 % to

₹ 199.75 million in 2016-17. Net Profit after tax decreased by 51.22 % to ₹ 128.19 million in 2016-17.

FINANCIAL HIGHLIGHTS – CONSOLIDATED

Total Income increased by 31.56 % to ₹ 4,990.24 million in 2016-17. EBITDA decreased by 8.02 % to ₹ 527.62 million in 2016-17. Profit before tax and exceptional items decreased by 41.04 % to ₹ 267.34 million in 2016-17. Net Profit after tax decreased by 54.02 % to ₹ 131.41 million in 2016-17.

RESERVES

The Company has not transferred any amount to its reserves for the Financial Year ended March 31, 2017.

DIVIDEND

Considering need for conservation of funds for catering to the growth plans of the company, your Directors consider it expedient to pass over dividend for 2016-17.

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 financial year the Company has issued and allotted 1,05,69,937 Equity shares pursuant to the High Court approved Scheme of Amalgamation and therefore the Subscribed and Paid up Share Capital of the Company increased to ₹ 188,797,650 i.e. 37,759,530 Equity shares of ₹ 5/- each.

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. 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 Regulations. The Policy on materiality and dealing with related party transactions formulated and approved by the Board is posted on the website of the Company and is accessible at www.axiscades.com

MATERIAL CHANGES AND COMMITMENTS

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

MANAGEMENT DISCUSSION AND ANALYSIS

In terms of the provisions of Regulation 34 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations 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.

BUSINESS STRUCTURE

SUBSIDIARIES

The Company has the following subsidiaries:

Overseas Subsidiaries

Sl. No	Name of the subsidiary	Location/Country
1	AXISCADES, Inc. (formerly 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
5	AXISCADES GmbH	Germany

Indian Subsidiaries

Sl. No	Name of the subsidiary	Location/Country
1	Cades Studec Technologies (India) Private Limited (CSTI)	Bengaluru, India
2	AXISCADES Aerospace & Technologies Private Limited (ACAT)	Bengaluru, India
3	AXISCADES Aerospace Infrastructure Private Limited (AAIPL)	Bengaluru, India
4	Enertec Controls Limited (ECL)	Bengaluru, India

All overseas subsidiaries and AXISCADES Aerospace & Technologies Private Limited (Indian Subsidiary) are wholly owned by the Company.

In case of other Indian Subsidiaries-

Cades Studec Technologies (India) Private Limited, Company holds 76% of its equity shares.

AXISCADES Aerospace Infrastructure Private Limited – 99.99 % is held by ACAT.

Enertec Controls Limited – 51.84 % is held by ACAT and 48.16% by AAIPL.

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 Form AOC 1 is attached to this Report as Annexure II, pursuant to Section 129(3) of Companies Act, 2013.

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

CONSOLIDATED FINANCIAL STATEMENTS

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

2. ORGANIZATION DEVELOPMENT

BOARD OF DIRECTORS

Retirements and Reappointments

In the ensuing Annual General Meeting, Mr. Valmeekanathan S., Director, retire by rotation, and being eligible, offer himself for re-appointment.

The Director recommend his re-appointment at the ensuing Annual General Meeting.

No Independent Director is liable to retire at the ensuing Annual General Meeting (AGM).

Mr. Valmeekanathan S. continued as CEO & Director upto 7th Jan 2017 and there after continuing as Non-Executive Director.

Mr. Sidhartha Mehra was inducted as the Non-Executive Director (Additional Director) of the Company with effect from August 10, 2016 and was further re-appointed as an Additional Director in the capacity of Non-Executive w.ef. 26 September 2016. He will be considered for reappointment in the ensuing Annual General Meeting.

Mrs. Vimmi M Trehan was reappointed as Additional Director (Woman Independent Director) with effect from March 11, 2017 subsequent to her resignation.

Sl. No.	Name of the Director	Category	Date of Appointment / reappointment	Date of Approval by Shareholder	Date of Resignation / cessation
1	Mr. Sidhartha Mehra	Non- Executive Director	10.08.2016 26.09.2016	Proposed in the ensuing AGM	26.09.2016
2	Mr. Amit Gupta	Non- Executive Director	12-09-14	07.09.2015	10.08.2016
3	Mrs. Vimmi M. Trehan	Independent Director	30-03-2015 Reappointed on 11.03.2017	19-05-2015 Proposed in the ensuing AGM	8.12.2016
4	Mr. Valmeekanathan S.	Non-Executive Director	25.02.2014	09.09.2014	Resigned as CEO w.e.f. 08.01.2017 and continuing as Non-Executive Director

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.

The manpower strength of the Company, on consolidated basis stood at 1761 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.

3. 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 9 (nine) times during the year. The dates, attendance and other particulars of the meetings are furnished in the Report on Corporate Governance attached to this Report. The intervening gap between any two meetings was within the limit prescribed by the provisions of Companies Act, 2013.

COMMITTEES OF THE BOARD

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

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

The Company has also constituted Nomination and Remuneration Committee, Stakeholders Relationship Committee and Corporate Social Responsibility Committee as required under the provisions of Companies Act, 2013 and also as required under Listing 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

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.

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 to 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 framework 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 financial year 2016-17, no such complaints were received.

4. DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to Section 134(5) read with Section 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.

5. 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 M/s S.R. Batliboi & Associates LLP, Chartered Accountants, shall be placed for approval 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. The Auditors' Report is enclosed with the financial statements in this Annual Report.

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 2016-17. 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 below w.r.t. Scheme of Amalgamation).

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. Ltd. (IAT) with the Company. The said Scheme was sanctioned by the Hon'ble court of Karnataka vide its order dated 4th November 2016 which came into effect from 5th December 2016.

EXTRACT OF ANNUAL RETURNS

The extract of Annual Return of your Company as on March 31, 2017, 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.

CORPORATE SOCIAL RESPONSIBILITY (CSR)

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

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

6. CONSERVATION OF ENERGY, FOREIGN EXCHANGE EARNINGS ETC

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

CONSERVATION OF ENERGY

Being an Information Technology company, is not energy intensive. However, adequate measures have been taken to conserve energy by introducing improved operational methods. The company in its

initiative to be ISO14001 – Environmental Management System compliant, is adhering to the provisions of E-Waste (Management and Handling) Rules 2011 and Batteries (Management and Handling) rules 2011, by efficiently managing the AC installations, replacing PC's by VPC and recycling of paper etc.

Foreign Exchange Earnings and Outgo (Standalone)

	(₹ Million)	
	2016-17	2015-16
Foreign Exchange Earnings (actual inflows)	1,913.75	1,843.20
Foreign Exchange Outgo (actual outflows)	891.82	817.18

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.

7. 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.

8. 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/-
Vivek Mansingh
Chairman & Director

sd/-
Sudhakar Gande
Vice Chairman & Executive Director

Date: 30 May 2017

Place: Bengaluru

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:

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

2. DETAILS OF CONTRACTS OR ARRANGEMENTS OR TRANSACTIONS AT ARM'S LENGTH BASIS:

Sl. No.	Particulars	Details					
(a)	Name (s) of the related party	AXISCADES, Inc.	AXISCADES UK Ltd.	AXISCADES Technology Canada Inc.	AXISCADES Aerospace & Technologies Private Limited	AXISCADES GmBH	Jupiter Capital Pvt. Ltd.
	Nature of relationship	Subsidiary	Stepdown Subsidiary	Subsidiary	Subsidiary	Subsidiary	Holding Co.
(b)	Nature of contracts/ arrangements/transaction	Buy & Sale of service / Cross charge transactions	Buy & 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/ Investment	Investment / Cross charge transactions	Inter-Corporate Deposits
(c)	Duration of the contracts/ arrangements/transaction	1. 36 Months from 1st Apr 2016 in respect of sale of services 2. Other transactions on ongoing basis	1. 36 Months from 1st Apr 2016 in respect of sale of services 2. 36 Months from 1st Sept 2016 in respect of purchase of services 3. Other transactions on ongoing basis	1. 36 Months from 1st Apr 2016 in respect of sale of services 2. Other transactions on ongoing basis	Transactions on ongoing basis/24 Months contract	NA	Tenure 3 years till 30th May 2019

Sl. No.	Particulars	Details					
(d)	Salient terms of the contracts or arrangements or transaction including the value, if any Value of transactions during the year. (₹)	Invoices to be raised each month within 10 business days from the end of each month, payable within 15 days of receipt of money from the customer.	Invoices to be raised each month within 10 business days from the end of each month, payable within 15 days of receipt of money from the customer and for making payment it is within 60 days	Invoices to be raised each month, payable within 30 days	Interest 14% pa Tenure 2 years		Interest 12% p.a. Tenure 3 years till 30 th May 2019
1.	Sale of services	16,57,88,281	76,28,529	13,28,84,123	-	-	-
2.	Expenses incurred on behalf of	13,90,531	11,61,543	29,05,243	68,51,689	2,39,368	-
3.	Software subscription charges incurred by	1,29,72,907	-	-	-	-	-
4.	Salaries, wages and bonus incurred on behalf of	-	-	52,64,923	1,75,22,872	-	-
5.	Salaries, wages and bonus recovered / staff welfare expense incurred by	2,98,57,880	53,28,043	-	-	-	-
6.	Inter Corporate Deposit (ICD) extended	-	-	-	1,25,00,000	-	-
7.	Interest income	-	-	-	2,06,89,315	-	-
8.	Investment	-	-	-	14,99,99,962	18,86,750	-
9.	Inter Corporate Deposit Repaid by	-	-	-	15,00,00,000	-	-
10.	ICD availed from*	-	-	-	-	-	16,00,000
11.	Books & Periodicals purchased by	72,766	-	-	-	-	-
12.	Services received from	-	56,92,287	-	-	-	-
13.	Interest Expenses	-	-	-	-	-	8,05,973
(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 sales & purchase transactions are approved by the Audit Committee. ICD transactions are approved by Audit Committee and Board.					
(f)	Amount paid as advances, if any	NIL	NIL	NIL	NIL	-	-

*Pursuant to the Scheme of Amalgamation approved by the High Court of Karnataka, The transactions entered into by India Aviation Training Institute Private Limited (IAT) (Transferor Co.) with related parties have been recorded in the books of the merged entity.

For and on behalf of the Board of Directors

sd/-

Vivek Mansingh
Chairman & Director

sd/-

Sudhakar Gande
Vice Chairman & Executive Director

sd/-

Kaushik Sarkar
Chief Financial Officer

Date: 30 May 2017

Place: Bengaluru

ANNEXURE-II

STATEMENT CONTAINING SALIENT FEATURES OF THE FINANCIAL STATEMENT OF SUBSIDIARIES/ ASSOCIATE COMPANIES/JOINT VENTURES

(Persuant to first proviso to 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	Name of the subsidiary								
		AXISCADES, Inc. (USA)	AXISCADES UK Ltd. (UK)	Axis Mechanical Engineering Design (Wuxi) Co. Ltd. (China)	AXISCADES Technology Canada Inc. (Canada)	AXISCADES GmbH (Germany)	Cades Studec Technologies (India) Private Limited (India)	AXISCADES Aerospace & Technologies Private Limited (ACAT) (India)	AXISCADES Aerospace Infrastructure Private Limited (AAIPL) (India)	Enertec Controls Limited (ECL) (India)
		₹	₹	₹	₹	₹	₹	₹	₹	₹
1	Financial period ended	31-Mar-17	31-Mar-17	31-Mar-17	31-Mar-17	31-Mar-17	31-Mar-17	31-Mar-17	31-Mar-17	31-Mar-17
2	Reporting currency and Exchange rate	USD	GBP	RMB	CAD	EUR	INR	INR	INR	INR
	2.1 Reporting Currency									
	2.2 Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	64.8386	80.8797	9.4175	48.7116	69.2476	NA	NA	NA	NA
3	Share capital	145,707,053	46,544,326	4,242,358	4,871	1,731,190	6,250,000	168,385,120	41,725,330	13,658,690
4	Reserves & surplus	13,850,757	(35,982,084)	(5,588,891)	168,447,560	2,701	123,904,983	1,241,112,950	686,732,507.55	252,462,520
5	Total assets	382,390,248	40,198,181	1,072,099	205,747,454	2,185,454	150,884,725	2,307,072,696	729,386,944	304,924,443
6	Total Liabilities*	382,390,248	40,198,181	1,072,099	205,747,454	2,185,454	150,884,725	2,307,072,696	729,386,944	304,924,443
7	Investments	74,501,561	-	-	-	-	3,499,756	1,063,487,662	120,300,000	3,500
8	Turnover	1,051,369,634	145,270,103	-	287,850,237	1,007,972	170,503,793	1,109,704,476	0	0
9	Profit before taxation	(28,863,956)	(36,833,238)	(352,312)	47,407,494	2,704	27,100,798	74,595,546	(822,224)	(3,240,768)
10	Provision for taxation	-	1,463,680	-	12,812,014	-	9,073,291	45,335,742	0	370,552
11	Profit after taxation	(28,863,956)	(38,296,918)	(352,312)	34,595,480	2,704	18,027,507	29,259,804	(822,224)	(3,611,320)
12	Proposed Dividend	-	-	-	-	-	-	-	-	-
13	% of shareholding	100%	100% Subsidiary of AXISCADES, Inc.	100%	100%	100%	76%	100%	99.99% Subsidiary of ACAT	51.84% Subsidiary of ACAT

*Total liabilities includes Share capital and Reserves & Surplus.

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

SUBSIDIARY'S PERFORMANCE AND FINANCIAL POSITION:

1. AXISCADES, Inc : The revenue grew by 12.55 % as compared to last year due to new customer acquisition, however the losses were due to increased sales and marketing expenses and competence building activities.
2. AXISCADES UK Ltd: The revenue decreased by 42.69 % due to significant change in customer budgetary allocation. The losses were due to maintenance of basic work force to be kept ready for new business opportunity.

3. AXISCADES Technology Canada Inc: The revenue decreased by 22.68 % as compared to previous year due to outsourcing consolidation at customer end. The profit came down due to lower revenue.
4. Cades Studec Technologies (India) Pvt. Ltd.: The Revenue has grown by 5.42% .
5. Axis China: The Company is working to obtain customer contract.
6. AXISCADES GmbH : During the year, the Company has incorporated a wholly owned subsidiary on 16 August 2016 in Germany.
7. The company added 3 subsidiaries during the year as a result of amalgamation with India Aviation Training Institute Private Limited duly approved by the High Court of Karnataka vide its order dated 4th Novemeber 2016.
8. No subsidiary has been liquidated or sold during the year.

For and on behalf of the Board of Directors

sd/-

Vivek Mansingh
Chairman & Director

sd/-

Sudhakar Gande
Vice Chairman & Executive Director

sd/-

Kaushik Sarkar
Chief Financial Officer

sd/-

Shweta Agrawal
Company Secretary

Date: 30 May 2017

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 55.85
		b.	Valmeekanathan S.* 11.44
(ii)	The percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary in the Financial Year	a.	Sudhakar Gande** 41.49%
		b.	Valmeekanathan S.* Not Applicable
		c.	Kaushik Sarkar 2.7%
		d.	Shweta Agrawal 16.4%
(iii)	The percentage increase in the median remuneration of employees in the financial year.	4.2%	
(iv)	The number of permanent employees on the rolls of the company	1183	
(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.	2.79% (excluding managerial personnel) 5.26% (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.	
(xii)	It is hereby affirmed that the remuneration is as per the Remuneration Policy of the Company.		

Note: Remuneration excludes the value of perquisites.

* Valmeekanathan S. continued as CEO & Director upto 7 January 2017 and thereafter continues as Non-Executive Director.

** The percentage increase in the remuneration of Mr. Sudhakar Gande is on annualized basis since he was appointed as Executive Director w.e.f. 14.08.2015.

For and on behalf of the Board

sd/-
Vivek Mansingh
 Chairman & Director

sd/-
Sudhakar Gande
 Vice Chairman & Executive Director

Date: 30 May 2017
 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:

Details of Top 10 employees in terms of remuneration drawn and employed throughout the financial year with an aggregate remuneration of ₹ 1 Crore Two Lakhs (1.02) 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
Sudhakar Gande	Vice Chairman & Executive Director	3,28,80,000	M.Tech in Electronics & Computers, MBA (Finance)	28	14-08-2015	59	AXISCADES Aerospace Technologies Pvt. Ltd. (Vice Chairman & ED)
Marc Bouzaid	Head of BU Engineering Services	1,24,44,691	B.Tech	12	08-03-2013	34	Teccon Design and Engineering (Manager)
Valmeekanathan S.*	CEO & Director	1,01,49,672	BE (Hons) in Mechanical Engineering	32	25-02-2014	53	Independent Consulting (Consultant)
Abhay Sharma	VP-Sales	98,42,089	BE	23	24-09-2012	44	Satyam Computer Service Limited (Program & Relationship Manager)
Oliver Brotzki	General Manager	96,59,758	Graduated Mechanical Engineer	20	20-01-2012	48	3D Contech (Branch Manager)
Kaushik Sarkar	Chief Financial Officer	96,37,812	Masters of Commerce, FCA and ACMA	22	12-09-2014	47	Independent Consulting (Consultant)
Sriram Jayakrishna	VP-Delivery	91,74,065	BE	23	09-04-2015	44	Tata Technologies Ltd. (Aero Engineering & Design-Program Management)
Monsieur Sinnasse Canda	VP-Sales	8,729,949	MBA	30	01-10-2015	57	Bull – ATOS Technologies (Vice President)
A Visweswara Rao	VP & Head-HR	65,73,961	MBA	22	16-04-2012	48	BT India Pvt Ltd (Head-HR)
Juergen Kaehm	Lead Engineer	62,56,815	BE	36	01-12-2013	58	3D Contech, Designer

* Valmeekanathan S., continued as CEO & Director upto 7 January 2017 and thereafter continues as Non-Executive Director.

Employed for part of the year with an average salary of 8.5 lac per month and above- None

- 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 except Mr. Sudhakar Gande who holds 4.5% equity shares of the Company.
 4. None of the above employees is related to a Director.

For and on behalf of the Board

sd/-
Vivek Mansingh
Chairman & Director

sd/-
Sudhakar Gande
Vice Chairman & Executive Director

Date: 30 May 2017

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) |
| • Ms. Shweta Agrawal | (Secretary) |

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

APPLICABILITY:

The Policy is applicable to

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

GENERAL

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

PART – A

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

The Committee shall:

- Formulate the criteria for determining qualifications, positive attributes and independence of a director.
- Identify persons who are qualified to become Director and persons who may be appointed in Key Managerial and Senior Management positions in accordance with the criteria laid down.
- Recommend to the Board, appointment of Director, KMP and Senior Management Personnel.
- Performance Evaluation of each Director KMP and Senior Management Personnel for the purpose of appraisal or removal/replacement.
- Policy for Remuneration for Director, KMP and Senior Management Personnel.
- Monitor the Board Diversity and balanced Board
- **Succession planning-** recommends to the Board from time to time on long term succession plan and also contingency plan in case of exigencies, relating to both Board as well as Executive management.
- **Retirement policy-**The retirement age of the directors is fixed by the Board of Directors in consultation with the Nomination & Remuneration Committee.

PART – B**POLICY FOR APPOINTMENT AND REMOVAL & 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.

ANNEXURE-VI

FORM NO. MR-3 SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED MARCH 31, 2017.

(PURSUANT TO SECTION 204(1) OF THE COMPANIES ACT, 2013 & RULE 9 OF THE COMPANIES APPOINTMENT AND REMUNERTAIION OF MANAGERIAL 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** (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, 2017 complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by AXISCADES Engineering Technologies Limited for the financial year ended on March 31, 2017 according to the provisions of:

The Companies Act, 2013 (the Act) and the rules made thereunder;

The Securities Contracts (Regulation) Act, 1956 (‘SCRA’) and the rules made thereunder;

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

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;

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 (Issue of Capital and Disclosure Requirements) Regulations, 2009;
- c) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;
- d) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
- e) 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;
- f) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;
- g) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; and
- h) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015

OTHER APPLICABLE LAWS:

- i. Special Economic Zone Act, 2005
- ii. The Information Technology Act, 2000
- iii. Software Technology Parks of India its Rules and Regulations
- iv. The Indian Copyright Act, 1957
- v. The Patents Act, 1970
- vi. The Trade Marks Act, 1999

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

- i. Secretarial Standards (SS1 & SS2) issued by The Institute of Company Secretaries of India.
- ii. 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.

Ms. Vimmi Mittal Trehan had resigned as a director of the company w.e.f 8th December, 2016 and was appointed as a Woman Independent Director of the company w.e.f. 11th March, 2017.

Mr. Siddhartha Mehra was appointed as Additional Director (Non-Executive) w.e.f. 10.08.2016, whose appointment was till the date of the 26th Annual General Meeting which was held on 26th September, 2016. He was re-appointed as Additional Director w.e.f 26th September, 2016 in the Board meeting held on the same day.

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 Scheme of Amalgamation between AXISCADES Engineering Technologies Limited and India Aviation Training Institute Private Limited was approved by the Hon'ble High Court of Karnataka on 4th November, 2016 and the same was made effective from 5th December, 2016. In accordance with the scheme, India Aviation Training Institute Private Limited was dissolved and AXISCADES Aerospace & Technologies Private Limited (A wholly owned subsidiary of India Aviation Training Institute Private Limited) together with its subsidiaries have become wholly owned subsidiaries of the Company.
2. The Company has allotted 1,05,69,937/- (One Crore Five Lakhs Sixty Nine Thousand Nine Hundred and Thirty Seven) equity shares to the shareholders of India Aviation Training Institute Private Limited as a part of Scheme of amalgamation sanctioned by the Hon'ble High Court of Karnataka.

FOR ANANT B KHAMANKAR & CO.

Sd/-

Anant Khamankar

FCS No. - 3198

CP No. - 1860

Date : 22 May 2017

Place : Mumbai

ANNEXURE-VII

FORM NO. MGT 9

EXTRACT OF ANNUAL RETURN

as on financial year ended on 31.03.2017

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
iv	Category/Sub-category of the Company	Public Company/Limited by Shares
v	Address of the Registered office & contact details	Block C, Second Floor Kirkoskar Business Park Bengaluru-56002 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

SI No	Name & Address of the Company	CIN/GLN	HOLDING/ SUBSIDIARY/ ASSOCIATE	% OF SHARES HELD	APPLICABLE SECTION
1	AXISCADES, Inc. (formerly 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 AXISCADES, Inc.	Section 2(87)(ii)
3	Axis Mechanical Engineering Design (Wuxi) Co. Ltd. Tian shan Road NO.8-1504,New District,Wuxi, China	NA	Subsidiary	100%	Section 2(87)(ii)
4	AXISCADES Technology Canada Inc. (formerly Cades Technology Canada Inc.(USA) 1200 McGill College Avenue, Suite 1100, Montreal, Quebec H3B 4G7	NA	Subsidiary	100%	Section 2(87)(ii)
5	AXISCADES GmbH Hein Saß Weg 36, 21129 Hamburg, Germany	NA	Subsidiary	100%	Section 2(87)(ii)
6	Cades Studec Technologies (India) Private Limited No.11, 3rd Cross, Ganganagar North, Bengaluru-560032	U72900KA2006PTC049241	Subsidiary	76%	Section 2(87)(ii)
7	AXISCADES Aerospace & Technologies Private Limited (ACAT)	U72900KA2001PTC028394	Subsidiary	100%	Section 2(87)(ii)
8	AXISCADES Aerospace Infrastructure Private Limited (AAI)	U85110KA2000PTC028009	Stepdown subsidiary	99.99% subsidiary of ACAT	Section 2(87)(ii)
9	Enertec Controls Limited	U31101KA1988PLC008860	Stepdown subsidiary	51.84% subsidiary of ACAT	Section 2(87)(ii)
10	Jupiter Capital Private Limited No.54, Richmond Road, Jupiter Innovision Center, Bengaluru-560025	U67120KA2004PTC033653	Holding	17.61%	Section 2(46) &Section 2(87)(ii)
11	Tayana Digital Private Limited No.54, Richmond Road, Jupiter Innovission Center, Bengaluru-560025	U72900KA2008PTC045597	Subsidiary of Holding	32.16%	Section 2(87)(ii)
12	Indian Aero Ventures Private Limited No.54, Richmond Road, Jupiter Innovission Center, Bengaluru-560025	U62200KA2007PTC041886	Subsidiary of Holding	16.30%	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 2016)				No. of Shares held at the end of the year (As on 31 March 2017)				% change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of total shares	
A. PROMOTERS									
(1) Indian									
a) Individual/HUF	-	-	-	-	-	-	-	-	-
b) Central Govt. or State Govt.	-	-	-	-	-	-	-	-	-
c) Bodies Corporates	16,074,514	-	16,074,514	59.12	24,945,271	-	24,945,271	66.06	6.94
d) Bank/FI	-	-	-	-	-	-	-	-	-
e) Any other	-	-	-	-	-	-	-	-	-
SUB TOTAL: (A) (1)	16,074,514	-	16,074,514	59.12	24,945,271	-	24,945,271	66.06	6.94
(2) Foreign									
a) NRI- Individuals	-	-	-	-	-	-	-	-	-
b) Other Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corp.	-	-	-	-	-	-	-	-	-
d) Banks/FI	-	-	-	-	-	-	-	-	-
e) Any other	-	-	-	-	-	-	-	-	-
SUB TOTAL (A) (2)	-	-	-	-	-	-	-	-	-
Total Shareholding of Promoter (A) = (A)(1) + (A)(2)	16,074,514	-	16,074,514	59.12	24,945,271	-	24,945,271	66.06	6.94
B. PUBLIC SHAREHOLDING									
(1) Institutions									
a) Mutual Funds	-	-	-	-	-	-	-	-	-
b) Banks/FI	95,643	-	95,643	0.35	108,480	-	108,480	0.29	-0.06
c) Central Govt.	-	-	-	-	-	-	-	-	-
d) State Govt.	-	-	-	-	-	-	-	-	-
e) Venture Capital Fund	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIIS (including FPI)	677,862	-	677,862	2.49	558,686	-	558,686	1.48	-1.01
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others	-	-	-	-	-	-	-	-	-
SUB TOTAL (B)(1):	773,505	-	773,505	2.84	667,166	-	667,166	1.77	-1.07
(2) Non Institutions									
a) Bodies corporates									
i) Indian	2,420,416	-	2,420,416	8.90	1,786,896	-	1,786,896	4.73	-4.17
ii) Overseas	-	-	-	-	-	-	-	-	-

Category of Shareholders	No. of Shares held at the beginning of the year (As on 1 April 2016)				No. of Shares held at the end of the year (As on 31 March 2017)				% 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	4,022,609	45,869	4,068,478	14.96	5,571,098	40,993	5,612,091	14.86	-0.10
ii) Individuals shareholders holding nominal share capital in excess of ₹ 1 lakhs	3,416,105	-	3,416,105	12.56	2,650,509	-	2,650,509	7.02	-5.54
c) Others (specify)									
Non Resident Indian	214,092	-	214,092	0.79	205,423	-	205,423	0.54	0.24
Clearing Member	123,716	-	123,716	0.46	1,798,275	-	1,798,275	4.76	4.31
Trusts	98,767	-	98,767	0.36	2,300	-	2,300	0.01	0.35
Non Resident Indian Non Repatriable	-	-	-	-	90,697	-	90,697	0.24	0.24
Foreign Nationals	-	-	-	-	902	-	902	0.00	0.00
SUB TOTAL (B)(2):	10,295,705	45,869	10,341,574	38.04	12,106,100	40,993	12,147,093	32.17	-5.87
									0.00
Total Public Shareholding (B) = (B)(1) + (B)(2)	11,069,210	45,869	11,115,079	40.88	12,773,266	-	12,814,259	33.94	-6.94
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	0.00
									0.00
Grand Total (A+B+C)	27,143,724	45,869	27,189,593	100.00	37,718,537	40,993	37,759,530	100.00	

(ii) Share Holding 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	12,142,100	44.66	0	12,142,100	32.16	2,800,000	-13
2	INDIAN AERO VENTURES PRIVATE LIMITED	3,696,236	13.59	0	6,154,219	16.30	0	3
3	JUPITER CAPITAL PRIVATE LIMITED	236,178	0.87	0	6,648,952	17.61	0	17
	Total	16,074,514	59.12		24,945,271	66.06	2,800,000	7

(III) Change in Promoters' Shareholding (Specify if there is no change)

Sl. No		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No of shares	% of total shares of the company
01	TAYANA DIGITAL PRIVATE LIMITED				
	At the beginning of the year 1 April 2016	12,142,100	44.66	12,142,100	32.16
	At the end of the year 31 March 2017	12,142,100	32.16	12,142,100	32.16
02	INDIAN AERO VENTURES PRIVATE LIMITED				
	At the beginning of the year 1 April 2016	3,696,236	13.59	36,962,36	13.59
	17.02.2017 (Allotment pursuant to Scheme)	8,111,954		11,808,190	31.27
	03.03.2017 (Transfer)	-5,653,971		6,154,219	16.30
	At the end of the year 31 March 2017	6,154,219	16.30	6,154,219	16.30
03	JUPITER CAPITAL PRIVATE LIMITED				
	At the beginning of the year 1 April 2016	236,178	0.87	236,178	0.87
	17.02.2017 (Allotment pursuant to Scheme)	2,457,983		2,694,161	7.14
	03.03.2017 (Transfer)	5,653,971		8,348,132	22.11
	24.03.2017 (Sale of Shares)	-1,699,180		6,648,952	17.61
	At the end of the year 31 March 2017	6,648,952	17.61	6,648,952	17.61

(iv) Shareholding of Top Ten Shareholders* (Other than Directors, Promoters and Holders of GDRs and ADRs)

Sl. No		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No of shares	% of total shares of the company
01	SUMER CHAND AND COMPANY LLP				
	At the beginning of the year 1 April 2016	572,208	2.10	572,208	2.10
	31.03.2017 (Sale of Shares)	-197,312		374,896	0.99
	At the end of the year 31 March 2017	374,896	0.99	374,896	0.99
02	ALCHEMY INDIA LONG TERM FUND LIMITED				
	At the beginning of the year 1 April 2016	500,000	1.84	500,000	1.84
	Buy/Sale during the year	0	0	0	0.00
	At the end of the year 31 March 2017	500,000	1.32	500,000	1.32
03	SARAH FAISAL HAWA				
	At the beginning of the year 1 April 2016	435,608	1.60	435,608	1.60
	16/12/2016 (Sale of Shares)	-13,388	0	422,220	1.55
	At the end of the year 31 March 2017	422,220	1.12	422,220	1.12
04	FAISAL ZUBAIR HAWA				
	At the beginning of the year 1 April 2016	409,640	1.51	409,640	1.51
	06/05/2016 (Purchase of Shares)	3,364		413,004	1.52
	02/12/2016 (Sale of Shares)	-10,000		403,004	1.48
	17/12/2016 (Sale of Shares)	-34,090		368,914	0.98
	At the end of the year 31 March 2017	368,914	0.98	368,914	0.98
05	NARENDRA KUMAR AGARWAL				
	At the beginning of the year 1 April 2016	375,000	1.38	375,000	1.38
	26/08/2016(Sale of Shares)	-189,469	0	185,531	0.68
	16/09/2016(Sale of Shares)	-8,750		176,781	0.65
	23/09/2016(Sale of Shares)	-176,781		0	0.00
	At the end of the year 31 March 2017	0	0.00	0	0.00

Sl. No		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No of shares	% of total shares of the company
06	ASHISH KACHOLIA				
	At the beginning of the year 1 April 2016	300,000	1.10	300,000	1.10
	08/04/2016 (Sale of Shares)	-25,000		275,000	1.01
	10/06/2016 (Sale of Shares)	-25,000		250,000	0.92
	30/06/2016 (Sale of Shares)	-12,514		237,486	0.87
	08/07/2016 (Sale of Shares)	-87,486		150,000	0.55
	15/07/2016 (Sale of Shares)	-50,325		99,675	0.37
	05/08/2016 (Sale of Shares)	-24,300		75,375	0.28
	12/08/2016 (Sale of Shares)	-75,375		0	0.00
	At the end of the year 31 March 2017	0		0	0.00
07	BILKIS ZUBAIR HAWA				
	At the beginning of the year 1 April 2016	258,821	0.95	258,821	0.95
	15/07/2016 (Sale of Shares)	-51,537		207,284	0.76
	22/07/2016 (Sale of Shares)	-17,524		189,760	0.70
	29/07/2016 (Sale of Shares)	-370		189,390	0.70
	07/10/2016 (Purchase of Shares)	10,000		199,390	0.73
	28/10/2016 (Sale of Shares)	-7,000		192,390	0.71
	18/11/2016 (Sale of Shares)	-110,888		81,502	0.30
	At the end of the year 31 March 2017			81,502	0.22
08	DIVYAM TIE UP PRIVATE LTD				
	At the beginning of the year 1 April 2016	201,804	0.74	220,686	0.81
	17/06/2016 (Sale of Shares)	-30,000		171,804	0.63
	30/06/2016 (Sale of Shares)	-5,000		166,804	0.61
	02/09/2016 (Sale of Shares)	-98,804		68,000	0.25
	16/09/2016 (Sale of Shares)	-60,517		7,483	0.03
	23/09/2016 (Purchase of Shares)	6,267		13,750	0.05
	07/10/2016 (Sale of Shares)	-4,750		9,000	0.03
	14/10/2016 (Sale of Shares)	-3,750		5,250	0.02
	28/10/2016 (Sale of Shares)	-5,250		0	0.00
	At the end of the year 31 March 2017	0	0.00	0	0.00
09	JAIDEEP NARENDRA SAMPAT				
	At the beginning of the year 1 April 2016	170,225	0.63	170,225	0.63
	08/04/2016 (Purchase of Shares)	27,391		197,616	0.73
	15/04/2016 (Sale of Shares)	-16,872		180,744	0.66
	22/04/2016 (Sale of Shares)	-3,747		176,997	0.65
	29/04/2016 (Sale of Shares)	-31,997		145,000	0.53
	At the end of the year 31 March 2017	145,000	0.38	145,000	0.38
10	NEHA SANGHVI				
	At the beginning of the year 1 April 2016	117,545	0.43	117,545	0.43
	Buy/Sale during the year	0		0	0.00
	At the end of the year 31 March 2017	117,545		117,545	0.31

* Excluding Clearing Members

(V) Shareholding of Directors and Key Managerial Personnel

Sl. No		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No of shares	% of total shares of the company
1	SUDHAKAR GANDE				
	At the beginning of the year 1 April 2016	0	0.00	0	0.00
	29/03/2017(Purchase of Shares)	1,699,180		1,699,180	4.50
	At the end of the year 31 March 2017	1,699,180		1,699,180	4.50
2	ROHITASAVA CHAND				
	At the beginning of the year 1 April 2016	0	0.00	0	0.00
	31/03/2017(Purchase of Shares)	197,312		197,312	0.52
	At the end of the year 31 March 2017	197,312		197,312	0.52
3	SHWETA AGRAWAL				
	At the beginning of the year 1 April 2016	0	0.00	0	0.00
	17/08/2016(Purchase of Shares)	1		1	0.00
	At the end of the year 31 March 2017	1	0.00	1	0.00

V INDEBTEDNESS
Indebtedness of the Company including interest outstanding/accrued but not due for payment

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtness at the beginning of the financial year 1 April 2016				
i) Principal Amount	239,902,820	7,728,656	NIL	247,631,476
ii) Interest due but not paid	NIL	NIL	NIL	NIL
iii) Interest accrued but not due	657,207	805,973	NIL	1,463,180
Total (i+ii+iii)	240,560,027	8,534,629	NIL	249,094,656
Change in Indebtedness during the financial year				
Additions	795,861,808	NIL	NIL	795,861,808
Reduction	799,780,691	NIL	NIL	799,780,691
Net Change	-3,918,883	NIL	NIL	-3,918,883
Indebtedness at the end of the financial year 31 March 2017				
i) Principal Amount	239,902,820	NIL	NIL	239,902,820
ii) Interest due but not paid	NIL	NIL	NIL	NIL
iii) Interest accrued but not due	657,207	NIL	NIL	657,207
Total (i+ii+iii)	240,560,027	NIL	NIL	240,560,027

VI REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

Sl. No.	Particulars of Remuneration	Name of the MD/WTD/Manager		Total Amount	
1	Gross salary		Sudhakar Gande Vice Chairman & Executive Director	S.Valmeekanathan CEO & Director*	
	(a) Salary as per provisions contained in section 17(1) of the Income Tax, 1961.		24,000,000.00	6,319,350.00	30,319,350.00
	(b) Value of perquisites u/s 17(2) of the Income tax Act, 1961		2,679,600.00	30,445.00	2,710,045.00
	(c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961		0.00	0.00	-
2	Stock option		0.00	0.00	-
3	Sweat Equity		0.00	0.00	-
4	Commission as % of profit		0.00	0.00	-
5	Others**		10,905,448.00	830,322.00	11,735,770.00
	Total (A)		37,585,048.00	7,180,117.00	44,765,165.00
	Ceiling as per the Act	Company has obtained Central Govt. approval for Remuneration in excess of the limits as defined under the Companies Act.			

*For the period April 1, 2016 to January 7, 2017. Mr. Valmeekanathan S. continued to be Non Executive Director thereafter.

** 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	1,300,000	1,700,000	1,400,000	1,500,000	100,000	
	(b) Commission	-	-	-	-	-	
	(c) Others, please specify	-	-	-	-	-	
	Total (1)	1,300,000	1,700,000	1,400,000	1,500,000	100,000	6,000,000
2	Other Non Executive Directors						
	(a) Fee for attending board committee meetings	300,000	270,000	150,000	60,000	180,000	
	(b) Commission	-	-	-	-	-	
	(c) Others, please specify.	-	-	-	-	-	
	Total (2)	300,000	270,000	150,000	60,000	180,000	960,000
	Total (B) = (1 + 2) - Total Managerial Remuneration						6,960,000
	Overall Ceiling as per the Act.	Executive Directors- Company has obtained Central Government approval for Remuneration in excess of the limits as 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	Gross Salary				
	(a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961.		6,096,612.00	2,049,383.00	8,145,995.00
	(b) Value of perquisites u/s 17(2) of the Income Tax Act, 1961		39,600.00	0.00	39,600.00
	(c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961		-	0.00	-
2	Stock Option		-	0.00	-
3	Sweat Equity		-	0.00	-
4	Commission as % of profit		-	0.00	-
5	Others**		2,828,597.00	53,213.00	2,881,810.00
	Total		8,964,809.00	2,102,596.00	11,067,405.00

*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.

VII PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES

There were no penalties/punishment/compounding of offences for the year ending March 31, 2017.

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://axiscales.com/investors_data/corp_gov_report/ACET_CSR_Policy.pdf.

2. The CSR activities of the Company mainly focus on the areas of education, after school life skills and employment enhancing 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 ₹ 2237.43 lacs.
5. Prescribed CSR spend @ 2% of average net profit for the last three financial years is ₹ 44.75 lacs.

6. CSR spend during the financial year:

	(₹ Lacs)
a. Total amount to be spent	44.75
b. Amount committed	45.00
c. Amount disbursed	45.00
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)
Dream A Dream	<ul style="list-style-type: none"> Employee Participation in After School Life Skills Programmes Career guidance workshops Life skills through Creative Arts (sessions) Dream outdoor experiential camp 	Education and employment enhancing vocational skills	Bengaluru	20.00	40.67	20.00
Manipal Foundation	Financially supporting Children Airway and Swallowing treatment	Promoting health care including preventive health care	Bengaluru	10.00	10.00	10.00
Astha Foundation	<ul style="list-style-type: none"> Upliftment of differently abled people through educational training and sports 	Education, including special education and employment enhancing vocational skills	Bengaluru	15.00	15.00	15.00

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/-
Sudhakar Gande
 Vice Chairman & Executive Director

Sd/-
Vivek Mansingh
 Chairman of CSR Committee

Date: 30 May 2017
 Place: Bengaluru



REPORT ON CORPORATE GOVERNANCE

REPORT ON CORPORATE GOVERNANCE

Corporate Governance refers to a fair, efficient and transparent functioning of the corporate management system. It includes accountability to shareholders and other stakeholders. The Company strives to follow the procedures and practices which ensure that the Company is managed in the best interest of all corporate stakeholders.

I. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

The 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. The Company has a strong legacy of fair, transparent and ethical governance practices. The company's primary objective is to create and adhere to a corporate culture of fairness and transparency in actions of the management which are the key to enhancing shareholders value and discharge of social responsibility.

The Directors are pleased to report the compliances as required under Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as "SEBI (LODR) Regulations 2015"), as follows:

II. BOARD OF DIRECTORS

- i. As on March 31, 2017, the Company has ten directors. Out of these ten Directors, nine (90%) are Non-Executive, including one woman director 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 chairperson 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, their own and place their views regarding governance of the Company at the Board. During the year the Independent Directors have met once on June 16, 2016. 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 ¹	No. of BM during 2016-2017 ²		Attendance Last AGM ²	No. of other Directorships and Committee Membership/ Chairmanship held as on March 31, 2017		
		Held	Attended		Other Directorship ⁷	Committee Memberships	Committee Chairmanships
Dr. Vivek Mansingh (Chairman)	ID	9	8	Yes	1	2	-
Mr. Sudhakar Gande (Vice Chairman)	ED	9	9	Yes	2	-	-
Mr. Valmeekanathan S. ³	NED	9	7	Yes	1	-	-

Name of the Director	Category ¹	No. of BM during 2016-2017 ²		Attendance Last AGM ²	No. of other Directorships and Committee Membership/ Chairmanship held as on March 31, 2017		
		Held	Attended		Other Directorship ⁷	Committee Memberships	Committee Chairmanships
Mr. Rohitasava Chand	NED	9	6	Yes	1	2	-
Mr. Kedarnath Choudhury	NED	9	5	Yes	1	-	-
Mr. Amit Gupta ⁴	NED	3	3	NA	-	-	-
Mr. Sidhartha Mehra ⁵	NED	6	6	Yes	-	-	-
Mr. Pradeep Dadlani	ID	9	9	Yes	1	1	-
Mr. Kailash M. Rustagi	ID	9	7	Yes	1	1	-
Mr. Srinath Batni	ID	9	8	Yes	1	-	-
Mrs. Vimmi Mittal Trehan ⁶	ID	6	1	No	-	-	-

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. Resigned as CEO w.e.f 8 January 2017 and continuing as Non-Executive Director thereafter.
4. Mr. Amit Gupta continued as Non-Executive Director till the close of business hours of 10.08.2016.
5. Mr. Sidhartha Mehra was appointed as Additional Director (Non-Executive) w.e.f. 10.08.2016 whose term expired on the commencement of AGM on 26th September 2016 and was re- appointed as Additional Director (Non-Executive) in the Board Meeting w.e.f. 26 September 2016.
6. Mrs. Vimmi M. Trehan continued as Independent Director till 7.12.2016 and was again appointed as an Additional Director (Woman Independent Director) w.e.f. 11 March 2017.
7. Other Directorship includes directorship in the subsidiary of Public Company.

viii. Nine Board meetings were held during the fiscal year 2016-2017 and the gap between two meetings did not exceed one hundred twenty days. The dates on which the said meetings were held 30 May; June 16; August 10; September 26; November 14; December 8, December 30; February 13; and March 21.

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.

Mr. Rohitasava Chand (Non Executive Director) holds 0.52% of equity shares of the Company.

(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.

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 26, 2016. All the members have Accounting and Financial management expertise.

vi. During the fiscal year 2016-2017, four 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

30 May; August 10; November 14; and February 13.

The necessary quorum was present for all the meetings.

vi. The composition of Audit Committee and the details of meetings attended by its members are given below:

Name of the Member	Category#	No. of meetings attended (Held -4)
Mr. Kailash M. Rustagi, Chairman	ID	4
Dr. Vivek Mansingh	ID	3
Mr. Srinath Batni	ID	4
Mr. Pradeep Dadlani	ID	4
Mr. Kedarnath Choudhury	NED	3

ID – Independent Director; NED – Non Executive Director

B. NOMINATION & 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 2016-17 two meetings of Nomination & Remuneration Committee were held on June 16, and August 10.
 - iv. The Chairman of the Committee is an Independent Director and was present at the last AGM held on September 26, 2016.
 - 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 -4)
Mr. Srinath Batni, Chairman	ID	2
Mr. Pradeep Dadlani	ID	2
Mr. Kedarnath Choudhury	NED	2
Mr. Amit Gupta*	NED	2

ID – Independent Director, NED – Non Executive Director

* Mr. Amit Gupta continued as Non-Executive Director till the close of business hours of 10.08.2016.

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. 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, 2017 are as follows:

Sl No	Name	Category#	Amount in Rupees
1	Dr. Vivek Mansingh	ID	13,00,000
2	Mr. Kailash M. Rustagi	ID	14,00,000
3	Mr. Pradeep Dadlani	ID	17,00,000
4	Mr. Srinath Batni	ID	15,00,000
5	Mr. Rohitasava Chand	NED	2,70,000
6	Mr. Kedarnath Choudhury	NED	3,00,000
7	Mr. Amit Gupta	NED	1,50,000
8	Mrs. Vimmi Mittal Trehan	ID	1,00,000
9.	Mr. Valmeekanathan S.*	NED	60,000
10.	Mr. Sidhartha Mehra	NED	1,80,000
	Total		69,60,000

ID – Independent Director, NED- Non Executive Director

* Resigned as CEO w.e.f 8 January 2017 and continuing as Non-Executive Director thereafter.

Remuneration to Executive Directors

Name of the Director	Fixed Salary			Performance linked Variable pay	Total	Service Contract
	Salary	Perquisites	Retiral Benefits			
Mr. Sudhakar Gande	2,40,00,000	26,79,600	28,80,000	80,25,448	3,75,85,048	5 years w.e.f. August 14, 2015
Mr. Valmeekanathan S.*	63,19,350	30,445	8,30,322	Nil	14,92,702	NA

Note: On accrual basis

* For the period April 1, 2016 to January 7, 2017. The fixed salary reflects the adjustment made on account of previous years performance linked variable payment.

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, 2017.

Mr. Rohitasava Chand (Non-Executive Director) hold 0.52% of equity 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 2016-17, one meeting was held on March 21.
- 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 -1)
Mr. Pradeep Dadlani, Chairman	ID	1
Mr. Srinath Batni	ID	Nil
Mr. Kailash M. Rustagi	ID	1
Mr. Rohitasava Chand	NED	1

ID – Independent Director, NED – Non Executive Director
 Ms. Shweta Agrawal, Company Secretary is the Compliance Officer of the Company

- 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 2016-2017 are as follows:

Opening Balance	Received during the year	Resolved during the year	Closing Balance
NIL	NIL	NIL	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 March 21, 2017.

ii. MERGER & ACQUISITION EVALUATION COMMITTEE (M&A)

The Board of Directors constituted the M&A Committee to evaluate various proposals for merger & acquisition for the inorganic growth of the Company. One meeting was held during the year on November 14, 2016.

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, 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"> 1. Approval of appointment/remuneration of Mr. S. Valmeekanathan as Director and CEO. 2. Authority to the Board to exercise Borrowing powers. 3. Authority to the Board to create mortgage or charge on the Assets of the Company 4. Approval of Related Party Transactions
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
March 31, 2016	September 26, 2016; 11.00 a.m.	Sathya Sai Samskruta Sadanam, No. 20, Hosur Road, Bengaluru- 560029,	<ol style="list-style-type: none"> 1. Amendments to the Memorandum of Association (MOA) of the Company 2. Adoption of new set of Articles of Association (AOA) of the Company

The Court Convened Meeting (CCM) for Shareholders and Unsecured Creditors was held on 25 April, 2016 at the Chairman's Club (Chairman's Club & Resort), No 14/1, Kodigehalli Main Road, Sahakar Nagar, Hebbal, Near Twin Tower, Bengaluru - 560092 for the purpose of approving the Scheme of Amalgamation of India Aviation Training Institute Private Limited with AXISCADES Engineering Technologies Limited and their respective shareholders and creditors ("Scheme").

The resolution approving the Scheme was passed by requisite majority.

The same Scheme was passed through Postal Ballot , details of which are given below:

ii. Postal Ballot

During the fiscal year 2016-17 one special resolution was passed through postal ballot w.r.t. 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”)

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)	1,686,730	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.

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	16,652,991	100%	06	0%	May 19, 2015

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 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 and by post/courier to the other members as per the address available with share transfer agents (RTA). The Company also publishes a notice in the newspaper declaring the details of the completion of dispatch and other requirements as mandated under the Companies Act 2013 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 on or before the cut off time 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, and register 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, if any, 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

ii. Details of non-compliance

No penalty has been imposed by the Stock Exchanges, SEBI or any statutory authority, nor there was any instance of non-compliance 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 employees 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

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

The Company has complied with all the mandatory requirements.

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.

v. Disclosure of Compliance

The Company complies with the corporate governance requirements specified in Regulation 17 to 27 and 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. All board members and senior management personnel have affirmed compliance with the Code of Conduct. A declaration signed by the Vice Chairman & Executive Director 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

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.

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 two material subsidiaries, out of which one is 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_Subsiary_Policy.pdf

VII. MEANS OF COMMUNICATION

The quarterly results, half yearly result and annual results of the Company are published in leading newspapers such as Economic Times, Navbharat Times & Vijay Karnataka. The results are also displayed on the Company's website www.axiscades.com. Press notes/ releases/presentations to the Institutional Investors and analysts, other announcement and Notices are posted promptly on the Website of the Company in addition to Stock Exchange Communication.

VIII. GENERAL SHAREHOLDER INFORMATION

i. Annual General Meeting

Date	: Thursday, August 24, 2017
Time	: 11.30 a.m.
Venue	: Sathya Sai Samskruta Sadanam, No. 20, Hosur Road, Bengaluru- 560029, Karnataka, India.

ii. Financial Calendar

Financial Year	: April 1 to March 31 (2016-2017)
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

Stock Code/Symbol

BSE	: 532395
NSE	: AXISCADES

The Listing fees for the fiscal year 2017-2018 as applicable have been paid to all the above Stock Exchanges.

iv. Dematerialization of Equity Shares

Equity shares of the Company representing 99.89% of the Company's equity share capital are dematerialized as on March 31, 2017.

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, 2017 the Company does not have any outstanding GDRs/ADRs/Warrants or any convertible instruments.

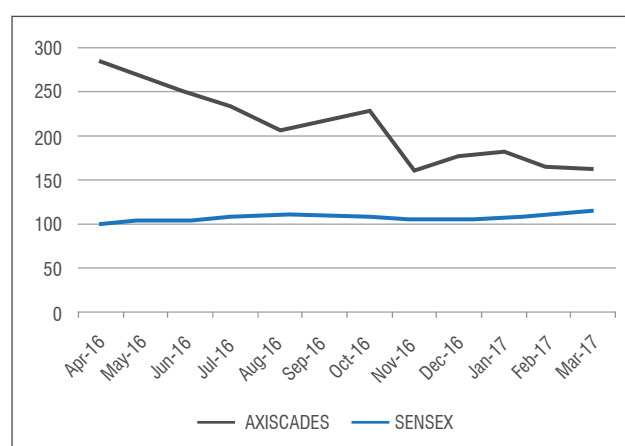
vi. Market Price Data

Monthly High, low market price data in the Financial Year 2016-2017 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	305.50	266.20	305.50	267.70
May	294.00	244.05	293.60	244.05
June	289.80	235.00	289.90	235.00

Month	National Stock Exchange (NSE)		BSE Limited	
	High	Low	High	Low
July	257.50	226.25	257.30	226.45
August	237.70	192.90	237.40	193.05
September	234.75	205.00	235.00	207.00
October	243.00	208.30	243.35	209.30
November	228.30	133.00	229.30	133.50
December	204.90	158.00	205.00	158.50
January	202.30	176.15	202.50	176.00
February	191.90	155.00	192.00	157.90
March	176.40	150.15	176.55	150.00

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

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 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 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, 2017:

a. Distribution of equity shareholding as on March 31, 2017:

No. of Shares	Holding	% to Capital	No. of accounts	% to total accounts
1-5000	49,21,835	13.03	18399	98.62
5001-10000	974406	2.58	129	0.69
10001-20000	860520	2.28	61	0.33
20001-30000	693945	1.84	28	0.15
30001-40000	256983	0.68	7	0.04
40001-50000	318004	0.84	7	0.04
50001-100000	1101044	2.92	16	0.09
100001 and above	28632793	75.83	10	0.05
Grand Total	37759530	100.00	18657	100.00

b. Categories of equity shareholders as on March 31, 2017:

Category	No. of shares	Percentage
Promoters Group – Indian	2,49,45,271	66.06
Indian Public	82,62,600	21.88
Bodies Corporate	17,86,896	4.73
NRIs/ OCBs/ Foreign Nationals/FIIs	8,55,708	2.27
Others	19,09,055	5.06
Total	3,77,59,530	100.00%

xi. CEO/CFO certification

The certificate duly signed by Vice Chairman & Executive Director 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 & Address for correspondence:

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

Other locations of offices of the Company are available at the Company's website www.axiscades.com

For and on behalf of the Directors

	sd/-	sd/-
Date: 30 May, 2017	Sudhakar Gande	Vivek Mansingh
Place: Bengaluru	Vice Chairman & Executive Director	Chairman & Director

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 2017.

sd/-
Sudhakar Gande
Vice Chairman & Executive Director
AXISCADES Engineering Technologies Limited

(CEO/CFO certificate under Clause 17 of LR)

Pursuant to LR 17(8) & Part B of Schedule II

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 2017

We, Sudhakar Gande, Vice Chairman & Executive Director and Kaushik Sarkar, Chief Financial Officer, hereby certify that.

- (a) We have reviewed the financial statements and the cash flow statement for the year ended 31st March, 2017 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 year;
 - ii. significant changes, if any, in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
 - iii. Instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the company's internal control system over financial reporting.

sd/-

Sudhakar Gande

Vice Chairman & Executive Director

sd/-

Kaushik Sarkar

Chief Financial Officer

Date: 29 May 2017

Auditor's Certificate on Corporate Governance

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 on 31 March 2017, as stipulated in Regulations 17 to 27, clauses (b) to (i) of Regulation 46(2) and paragraphs C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations') for the year ended 31 March 2017.

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

We have examined the relevant records of the Company in accordance with the Generally Accepted Auditing Standards in India, to the extent relevant, and as per the Guidance Note on Certification of Corporate Governance issued by the Institute of Chartered Accountants of India.

In our opinion and to the best of our information and according to our examination of the relevant records and the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Regulations 17 to 27 and clauses (b) to (i) of Regulation 46(2) and paragraphs C, D and E of Schedule V of the Listing Regulations for the year ended 31 March 2017.

We 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.

Restriction on use

This certificate is issued solely for the purpose of complying with the aforesaid regulations and may not be suitable for any other purpose.

For **Walker Chandniok & Co LLP**
Chartered Accountants
Firm Registration No. 001076N/N500013

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

Bengaluru
30 May 2017



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 2017, the Statement of Profit and Loss and 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 prescribed 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 for safeguarding the assets of the Company and for 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 standalone 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 these 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 these 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 2017, 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 prescribed 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 and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2017 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 on 31 March 2017 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 2017 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 (as amended), 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 litigation which would impact its financial position;
 - ii. the Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
 - iii. there were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company; and
- iv. the Company, as detailed in Note 34 to the standalone financial statements, has made requisite disclosures in these standalone financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8 November 2016 to 30 December 2016. Based on the audit procedures performed and taking into consideration the information and explanations given to us, in our opinion, these are in accordance with the books of account maintained by the Company.

For **Walker Chandiook & Co LLP**
Chartered Accountants
Firm's Registration No.: 001076N/N500013

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

30 May 2017
Bengaluru

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 2017

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, and to the best of our knowledge and belief, 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. In accordance with this program, certain fixed assets were verified by the management during the year and no material discrepancies were noticed on such verification.
- (c) The title deeds of all the immovable properties (which are included under the head 'fixed assets') 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 Intercompany 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 has been received however, the receipts of the interest are not regular;
- (c) the total amount which is overdue for more than 90 days in respect of loans granted to such companies,
- (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

firms, LLPs or other parties is as follows-

Particulars	Amount (₹)	No. of cases	Remarks
Principal	-	-	
Interest	10,586,300	2	An amount of ₹ 4,763,836 has been received subsequent to the year ended 31 March 2017
Total	10,586,300		

In our opinion, reasonable steps have been taken by the Company for recovery of such interest.

- (iv) In our opinion, the Company has complied with the provisions of Section 186 in respect of investments and loans. Further, in our opinion, the Company has not entered into any transaction covered under Section 185 and Section 186 of the Act in respect of 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.

- (viii) The Company has not defaulted in repayment of loans or borrowings to any bank during the year. The Company did not have any outstanding debentures 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 by the Company 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, provisions of clause 3(xii) of the Order are 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 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 the 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**
Chartered Accountants
Firm's Registration No.: 001076N/N500013

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

30 May 2017
Bengaluru

ANNEXURE II

Annexure II 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 2017

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 2017, we have audited the internal financial controls over financial reporting (IFCoFR) of the Company 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 Control over Financial Reporting issued by the Institute of Chartered Accountant 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 2017, 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 Control over Financial Reporting issued by the Institute of Chartered Accountant of India.

For **Walker Chandiook & Co LLP**

Chartered Accountants

Firm's Registration No.: 001076N/N500013

sd/-

per **Aasheesh Arjun Singh**

Partner

Membership No.: 210122

30 May 2017

Bengaluru

BALANCE SHEET

(Amount in ₹)

	NOTE	As at 31 March 2017	As at 31 March 2016
EQUITY AND LIABILITIES			
SHAREHOLDERS' FUNDS			
Share capital	3	188,950,950	136,101,265
Reserves and surplus	4	2,146,695,844	1,019,915,817
		2,335,646,794	1,156,017,082
NON-CURRENT LIABILITIES			
Long-term borrowings	5	7,300,000	-
Other long-term liabilities	6	2,781,812	-
Long-term provisions	7	38,301,026	30,744,967
		48,382,838	30,744,967
CURRENT LIABILITIES			
Short-term borrowings	5	239,902,820	244,037,295
Trade payables	8		
Total outstanding dues of micro enterprises and small enterprises		-	-
Total outstanding dues of creditors other than micro enterprises and small enterprises		90,337,755	168,164,265
Other current liabilities	6	151,881,498	209,629,103
Short-term provisions	7	22,946,472	48,714,686
		505,068,545	670,545,349
TOTAL		2,889,098,177	1,857,307,398
ASSETS			
NON-CURRENT ASSETS			
Fixed assets			
Tangible assets	9 A	67,783,998	75,283,678
Intangible assets	9 B	146,633,852	133,940,432
Intangible assets under development	9 C	-	11,163,459
Non-current investments	10	1,423,240,998	225,150,526
Deferred tax assets, net	11	29,589,975	21,245,303
Long-term loans and advances	12	127,103,523	248,564,714
Other non-current assets	13	8,602,174	16,354,290
		1,802,954,520	731,702,402
CURRENT ASSETS			
Trade receivables	14	455,122,369	617,349,281
Cash and bank balances	15	227,997,514	121,687,006
Short-term loans and advances	12	131,647,361	61,080,358
Other current assets	13	271,376,413	325,488,351
		1,086,143,657	1,125,604,996
TOTAL		2,889,098,177	1,857,307,398
Summary of significant accounting policies and other explanatory information	1-36		
Notes forms an integral part of these financial statements.			

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

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

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

 30 May 2017
 Bengaluru

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

 sd/-
Vivek Mansingh
 Chairman and Director
 DIN: 06903079

 sd/-
Kaushik Sarkar
 Chief Financial Officer

 30 May 2017
 Bengaluru

 sd/-
Sudhakar Gande
 Vice Chairman and Executive Director
 DIN: 00987566

 sd/-
Shweta Agrawal
 Company Secretary
 Membership no.: 14148

 30 May 2017
 Bengaluru

STATEMENT OF PROFIT AND LOSS

	NOTE	Year ended 31 March 2017	Year ended 31 March 2016
(Amount in ₹)			
REVENUE			
Revenue from operations	16	2,319,797,570	2,350,396,735
Other income	17	74,851,337	29,605,493
TOTAL REVENUE		2,394,648,907	2,380,002,228
EXPENSES			
Employee benefits expense	18	1,388,948,446	1,223,141,509
Depreciation and amortisation expense	19	98,988,172	92,458,378
Finance costs	20	13,092,537	17,854,136
Other expenses	21	693,872,069	644,825,597
TOTAL EXPENSES		2,194,901,224	1,978,279,620
PROFIT BEFORE EXCEPTIONAL ITEMS AND TAX		199,747,683	401,722,608
Exceptional item	22	4,532,641	5,928,000
PROFIT BEFORE TAX		195,215,042	395,794,608
Tax expense:			
- Current tax [net of reversal of excess tax provision of prior year ₹ Nil (31 March 2016: ₹ 4,331,703)]		75,372,299	131,910,100
- Deferred tax (credit) / charge		(8,344,873)	1,083,695
NET PROFIT FOR THE YEAR		128,187,616	262,800,813
Earnings per equity share:	23		
- Basic		3.39	9.67
- Diluted		3.39	9.67
Nominal value per share		5.00	5.00
Summary of significant accounting policies and other explanatory information	1-36		
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**
Chartered Accountants

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

30 May 2017
Bengaluru

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

sd/-
Vivek Mansingh
Chairman and Director
DIN: 06903079

sd/-
Kaushik Sarkar
Chief Financial Officer

30 May 2017
Bengaluru

sd/-
Sudhakar Gande
Vice Chairman and Executive Director
DIN: 00987566

sd/-
Shweta Agrawal
Company Secretary
Membership no.: 14148

30 May 2017
Bengaluru

CASH FLOW STATEMENT

(Amount in ₹)

	Year ended 31 March 2017	Year ended 31 March 2016
A. Cash flow from operating activities		
Profit before tax and after exceptional items	195,215,042	395,794,608
Adjustment for:		
Depreciation and amortisation expense	98,988,172	92,458,378
Finance costs	13,092,537	17,854,136
Provision for gratuity and compensated absences	17,679,300	13,664,825
Bad debts written off	-	684,096
Provision no longer required, written back	(32,925,596)	(2,267,977)
Unrealised foreign exchange gain	(351,836)	(9,550,620)
Profit on sale of fixed assets	(116,116)	-
Interest income	(26,963,096)	(6,703,944)
Operating profit before working capital changes	264,618,407	501,933,502
Movements in working capital		
Decrease / (increase) in trade receivables	151,511,077	(241,391,459)
Decrease / (increase) in other current assets	75,805,985	(63,986,466)
Increase in loans and advances	(43,030,869)	(33,866,109)
(Decrease) / increase in current liabilities	(90,761,260)	172,690,131
(Decrease) / increase in provisions	(35,891,455)	22,286,021
Cash generated from operating activities	322,251,885	357,665,620
Direct taxes paid (net of refunds)	(116,397,469)	(94,118,026)
Net cash generated from operating activities (A)	205,854,416	263,547,594
B. Cash flow from investing activities		
Purchase of fixed assets	(102,128,711)	(77,934,740)
Proceed on sale of fixed assets	116,116	-
Interest received	12,410,330	3,836,638
Investments in fixed deposits, net	(623,637)	(3,439,609)
Investment in intercorporate deposit	(12,500,000)	(137,500,000)
Realisation from intercorporate deposit	150,000,000	-
Investment in subsidiaries	(151,886,712)	-
Net cash used in investment activities (B)	(104,612,614)	(215,037,711)
C. Cash flow from financing activities		
Repayments of intercorporate deposits, net	1,600,000	-
Proceeds from / (repayments of) working capital loans and buyer's credit, net	6,796,550	(3,881,267)
Repayments of term loan from bank	-	(15,000,000)
Finance costs paid	(12,286,564)	(15,214,726)
Net cash used in financing activities (C)	(3,890,014)	(34,095,993)
Net increase in cash and cash equivalents (A+B+C)	97,351,788	14,413,890
Cash and cash equivalents as at beginning of the year	93,957,712	79,543,822
Cash and cash equivalents acquired on account of the Scheme [refer note 24 (d)]	77,960	-
Cash and cash equivalents as at end of the year	191,387,460	93,957,712

	Year ended 31 March 2017	Year ended 31 March 2016
(Amount in ₹)		
Components of cash and cash equivalents		
Cash and bank balances (refer note 15)	227,997,514	121,687,006
Less: Margin money deposits considered separately	(36,610,054)	(27,729,294)
	191,387,460	93,957,712

Non-cash investing and financing activities (refer note 24)

In accordance with the Scheme, all the assets and liabilities of IAT were transferred to the Company with effect from the appointed date at the respective book values in the financial statements of IAT. Pursuant to the Scheme, the Company has issued and allotted 10,569,937 new equity shares of the Company to the shareholders of IAT. The surplus of the net assets acquired over the consideration issued has been credited to Capital Reserve.

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

For **Walker Chandio & Co LLP**

Chartered Accountants

sd/-

per **Aasheesh Arjun Singh**

Partner

30 May 2017

Bengaluru

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

Engineering Technologies Limited

sd/-

Vivek Mansingh

Chairman and Director

DIN: 06903079

sd/-

Kaushik Sarkar

Chief Financial Officer

30 May 2017

Bengaluru

sd/-

Sudhakar Gande

Vice Chairman and Executive Director

DIN: 00987566

sd/-

Shweta Agrawal

Company Secretary

Membership no.: 14148

30 May 2017

Bengaluru

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2017

1 BACKGROUND

AXISCADES Engineering Technologies Limited ('the Company'/'ACETL'), 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.

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 (as amended). 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 income

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 assets

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.

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.

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

Intangibles assets 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

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2017 (Cont'd)

- the intangible asset will generate probable economic benefits through sale
- sufficient technical, financial and other resources are available for completion
- the intangible asset can be reliably measured.

Depreciation / amortisation

Depreciation/amortisation is provided under the straight-line method 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:

Tangible assets

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

* 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.

Intangible assets

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 remaining 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 remaining lease term whichever is shorter. Software is amortised over the period of 3 years.

(e) Impairment of assets

The Company assesses at each Balance Sheet date whether there is any indication that an asset may be impaired. If any such indication exists, the Company estimates the

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

(f) Investments

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

(g) Foreign currency transactions and translation

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

The Company has adopted the provisions specified in Guidance Note on Accounting for Derivative Contracts,

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2017 (Cont'd)

issued by the Institute of Chartered Accountants of India (ICAI) in June 2015 which is effective 1 April 2016. 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 forward contracts are based on whether they meet the criteria for designation as effective cash flow hedges. To designate a forward contract as an effective cash flow hedge, the Company objectively evaluates with appropriate supporting documentation at the inception of the each contract whether the contract is effective in achieving offsetting cash flows attributable to the hedged risk. Effective hedge is generally measured by comparing the cumulative change in the fair value of the hedge contract with a cumulative change in the fair value of the hedged item.

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

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

(i) Employee benefits

Expenses and liabilities in respect of employee benefits are recorded in accordance with Accounting Standard ("AS") 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 provides benefit of compensated absences under which unavailed leave are allowed to be accumulated to be availed in future. The compensated absences comprises of vesting as well as non vesting benefit. The cost of short term compensated absences are provided for based on estimates. Long term compensated absence costs are provided for based on actuarial valuation using the project unit credit method. The Company presents the entire leave as a current liability in the balance sheet, since it does not have an unconditional right to defer its settlement for 12 months after the reporting date.

(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 2017 (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. Disclosure for 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 per share

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders (after deducting 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.

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 on hand and short-term investments with remaining maturity of three months or less.

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2017 (Cont'd)

3. SHARE CAPITAL

	As at 31 March 2017		As at 31 March 2016	
	Number	₹	Number	₹
Authorised				
Equity shares of ₹ 5 each	204,000,000	1,020,000,000	108,000,000	540,000,000
Preference shares of ₹ 100 each	100,000	10,000,000	100,000	10,000,000
	204,100,000	1,030,000,000	108,100,000	550,000,000
Issued share capital				
Equity shares of ₹ 5 each fully paid up	37,810,630	189,053,150	27,240,693	136,203,465
Subscribed and paid up				
Equity shares of ₹ 5 each fully paid	37,759,530	188,797,650	27,189,593	135,947,965
Add: Forfeited shares (amount originally paid ₹ 3 per share on 51,100 equity shares)	-	153,300	-	153,300
	37,759,530	188,950,950	27,189,593	136,101,265

(a) Reconciliation of the equity shares

	As at 31 March 2017		As at 31 March 2016	
	Number	₹	Number	₹
Balance at the beginning of the year	27,189,593	136,101,265	27,189,593	136,101,265
Add: Issued during the year [refer note 24 (c)]	10,569,937	52,849,685	-	-
Balance at the end of the year	37,759,530	188,950,950	27,189,593	136,101,265

(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 and 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 2017		As at 31 March 2016	
	Number	₹	Number	₹
Holding Company:				
Jupiter Capital Private Limited	6,648,952	33,244,760	236,178	1,180,890
Subsidiaries of Holding Company:				
Tayana Digital Private Limited	12,142,100	60,710,500	12,142,100	60,710,500
Indian Aero Ventures Private Limited	6,154,219	30,771,095	3,696,236	18,481,180

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

	As at 31 March 2017		As at 31 March 2016	
	Number	%	Number	%
(i) Jupiter Capital Private Limited	6,648,952	17.61%	236,178	0.87%
(ii) Tayana Digital Private Limited	12,142,100	32.16%	12,142,100	44.66%
(iii) Indian Aero Ventures Private Limited	6,154,219	16.30%	3,696,236	13.59%

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2017 (Cont'd)

- (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):

	2016-17 *	2015-16	2014-15	2013-14	2012-13
(Amount in ₹)					
Equity Shares:					
Allotted as fully paid up under Scheme of Arrangement	10,569,937	-	7,229,112	-	-

*[refer note 24 (c)]

4. RESERVES AND SURPLUS

	As at 31 March 2017	As at 31 March 2016
(Amount in ₹)		
(a) Securities premium account		
Balance at the beginning of the year	436,869,738	436,869,738
Add: Transferred pursuant to the Scheme [refer note 24 (d)]	570,656,592	-
Balance at the end of the year	1,007,526,330	436,869,738
(b) Surplus in the Statement of Profit and Loss		
Balance at the beginning of the year	574,748,083	311,947,270
Add: Transferred pursuant to the Scheme [refer note 24 (d)]	(9,036,428)	-
Add: Net profit for the year	128,187,616	262,800,813
Balance at the end of the year	693,899,271	574,748,083
(c) Hedge reserve		
Balance at the beginning of the year	8,297,996	(4,053,241)
Movement during the year	14,174,772	12,351,237
Balance at the end of the year	22,472,768	8,297,996
(d) Capital reserve		
Reserve created pursuant to the Scheme [refer note 24 (d)]	422,797,475	-
	422,797,475	-
	2,146,695,844	1,019,915,817

5. BORROWINGS

	As at 31 March 2017		As at 31 March 2016	
	Long-term	Short-term	Long-term	Short-term
(Amount in ₹)				
Secured				
Buyer's credit	-	-	-	9,498,914
Working capital loans	-	239,902,820	-	234,538,381
Unsecured				
Intercompany deposit from Holding Company [refer note (c) below]	7,300,000	-	-	-
Total	7,300,000	239,902,820	-	244,037,295

(a) Details of security for borrowings

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 avilment 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.

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2017 (Cont'd)

(b) Terms of borrowings and rate of interest

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 2016: 3% - 5%) 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. (31 March 2016: 12.75 %).

Buyer's credit bearing an interest rate of 1.39% p.a. has been repaid during the year.

(c) Intercorporate deposit from Holding Company

Intercorporate deposits from Jupiter Capital Private Limited for ₹ 7,300,000 (31 March 2016: ₹ Nil) carrying rate of interest at 12% per annum repayable on 30 May 2019.

6. OTHER LIABILITIES

	As at 31 March 2017		As at 31 March 2016	
	Long-term	Short-term	Long-term	Short-term
Duties and taxes payable	-	65,788,524	-	79,397,322
Advance from customers	-	814,233	-	12,179,641
Dues to holding company [refer note 27(v)]	-	1,234,629	-	-
Advances from related party [refer note 27(v)]	2,781,812	-	-	-
Dues to employees	-	82,361,023	-	107,258,793
Creditors for capital goods	-	1,683,089	-	10,793,347
	2,781,812	151,881,498	-	209,629,103

7. PROVISIONS

	As at 31 March 2017		As at 31 March 2016	
	Long-term	Short-term	Long-term	Short-term
Provision for employee benefits				
Gratuity [refer note (a) below]	35,003,821	1,852,314	27,192,587	1,123,693
Compensated absences	-	20,836,711	-	17,220,398
	35,003,821	22,689,025	27,192,587	18,344,091
Other provisions				
Provision for income tax [net of advance tax and MAT credit entitlement ₹ Nil (31 March 2016: ₹ 110,295,634)]	-	-	-	28,478,436
Provision for lease payments	3,297,205	257,447	3,552,380	1,892,159
	3,297,205	257,447	3,552,380	30,370,595
	38,301,026	22,946,472	30,744,967	48,714,686

(a) Gratuity

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

	Year ended 31 March 2017	Year ended 31 March 2016
Changes in the present value of the defined benefit obligation are as follows:		
Defined benefit obligation at the beginning of the year	28,316,280	23,553,658
Current service cost	6,175,485	5,370,414
Interest cost	2,235,396	1,888,313
Benefits paid	(4,051,678)	(3,657,855)
Actuarial loss	4,180,652	1,161,750
Defined benefit obligation at the end of the year	36,856,135	28,316,280
Components of net gratuity costs are:		
Current service cost	6,175,485	5,370,414
Past service cost	-	-

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2017 (Cont'd)

	Year ended 31 March 2017	Year ended 31 March 2016
Interest on defined benefit obligation	2,235,396	1,888,313
Net actuarial loss recognised in year	4,180,652	1,161,750
Expenses recognised in the Statement of Profit and Loss for the year	12,591,533	8,420,477
The principal assumptions used in determining gratuity and compensated absence obligations for the Company's plans are shown below:		
Discount rate	7.25%	7.90%
Salary escalation rate	5.20%	5.60%
Retirement age	60 Years	60 Years

Present value of unfunded obligations as at:

	31 March 2013	31 March 2014	31 March 2015	31 March 2016	31 March 2017
Experience adjustments	(540,471)	605,748	(559,131)	245,374	1,317,297
Net liability recognised in the Balance Sheet	7,038,172	18,771,188	23,553,658	28,316,280	36,856,135

(b) Defined contribution plan

The Company makes a 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 2017 is ₹ 34,268,873 (31 March 2016: ₹ 29,422,283).

(c) Overseas social security

The Company makes a contribution towards social security charges for its employees located at the respective branch offices in respective foreign geographies, that are defined contribution plans. 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 2017 is ₹ 84,571,167 (31 March 2016: ₹ 75,632,645).

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 2017	As at 31 March 2016
Total outstanding dues of micro enterprises and small enterprises [refer note (a) below]	-	-
Dues to others*	90,337,755	168,164,265
	90,337,755	168,164,265

* Includes dues to subsidiaries of ₹ 12,467,576 (31 March 2016: ₹ 23,500,107) (refer note 27(v)).

- (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, if any, as at 31 March 2017 has been made in the financial 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.

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2017 (Cont'd)

9A TANGIBLE ASSETS

	Free hold land *	Computers	Furniture and fixtures	Office equipment	Electrical installations	Office building	Vehicles	Leasehold improvements	Total
Gross block									
Balance as at 1 April 2015	2,264,437	98,756,576	14,982,111	19,211,323	2,059,794	16,581,724	4,833,911	4,678,534	163,368,410
Additions	-	43,542,241	535,633	2,300,563	-	-	5,266,311	-	51,644,748
Balance as at 31 March 2016	2,264,437	142,298,817	15,517,744	21,511,886	2,059,794	16,581,724	10,100,222	4,678,534	215,013,158
Additions for the year	-	19,779,530	1,959,395	786,655	-	-	-	-	22,525,580
Deletions	-	(12,122,466)	-	(148,000)	-	-	(1,756,330)	-	(14,026,796)
Balance as at 31 March 2017	2,264,437	149,955,881	17,477,139	22,150,541	2,059,794	16,581,724	8,343,892	4,678,534	223,511,942
Accumulated depreciation									
Balance as at 1 April 2015	-	84,015,869	11,215,605	10,975,878	2,059,794	3,850,488	2,130,699	2,545,214	116,793,547
Charge for the year	-	17,139,804	1,235,946	2,285,287	-	271,023	1,192,355	811,518	22,935,933
Balance as at 31 March 2016	-	101,155,673	12,451,551	13,261,165	2,059,794	4,121,511	3,323,054	3,356,732	139,729,480
Charge for the year	-	23,647,109	1,357,589	2,272,201	-	270,282	1,668,778	809,301	30,025,260
Deletions	-	(12,122,466)	-	(148,000)	-	-	(1,756,330)	-	(14,026,796)
Balance as at 31 March 2017	-	112,680,316	13,809,140	15,385,366	2,059,794	4,391,793	3,235,502	4,166,033	155,727,944
Net block									
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
At 31 March 2017	2,264,437	37,275,565	3,667,999	6,765,175	-	12,189,931	5,108,390	512,501	67,783,998

* Free hold land represents Industrial plot bearing plot no. 30 situated in Block - D of Sector-03 within New Okhla Industrial Development Authority Area (Noida), Gautam Budh Nagar, Uttar Pradesh, acquired by executing sale cum lease agreement dated 18 January 2000. Such land is duly allotted by New Okhla Industrial Development Authority (Noida Authority). The land shall be transferred in the name of the Company at the end of 78 years from the date of agreement.

9B INTANGIBLE ASSETS

	Non-competite fees	Softwares	Process manuals	Goodwill	Total
Gross block					
Balance as at 1 April 2015	1,971,000	336,971,906	183,487,636	16,445,348	538,875,890
Additions	-	21,431,420	-	-	21,431,420
Balance as at 31 March 2016	1,971,000	358,403,326	183,487,636	16,445,348	560,307,310
Additions for the year	-	29,610,457	52,045,875	-	81,656,332
Balance as at 31 March 2017	1,971,000	388,013,783	235,533,511	16,445,348	641,963,642
Accumulated amortisation					
Balance as at 1 April 2015	1,971,000	305,986,205	32,441,880	16,445,348	356,844,433
Charge for the year	-	20,434,066	49,088,379	-	69,522,445
Balance as at 31 March 2016	1,971,000	326,420,271	81,530,259	16,445,348	426,366,878
Charge for the year	-	19,945,261	49,017,651	-	68,962,912
Balance as at 31 March 2017	1,971,000	346,365,532	130,547,910	16,445,348	495,329,790
Net block					
At 31 March 2016	-	31,983,055	101,957,377	-	133,940,432
At 31 March 2017	-	41,648,251	104,985,601	-	146,633,852

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2017 (Cont'd)

9C. INTANGIBLE ASSETS UNDER DEVELOPMENT

	Process manuals	Software	Total
Balance as at 1 April 2015	-	-	-
Additions during the year	-	11,163,459	11,163,459
Balance as at 31 March 2016	-	11,163,459	11,163,459
Additions during the year	52,045,875	2,770,000	54,815,875
Less: Capitalised during the year	(52,045,875)	(13,933,459)	(65,979,334)
Balance as at 31 March 2017	-	-	-

(Amount in ₹)

10. NON-CURRENT INVESTMENTS

(Unquoted, valued at cost unless stated otherwise)

	As at 31 March 2017	As at 31 March 2016
(a) Trade		
Investments in equity instruments		
(i) In subsidiaries		
AXISCADES, Inc. (formerly Axis, Inc.) 19,725 equity shares (31 March 2016: 19,725) of no par value	148,906,359	148,906,359
Cades Studec Technologies (India) Private Limited 475,000 equity shares (31 March 2016: 475,000) of ₹10 each	71,966,083	71,966,083
AXISCADES Technology Canada Inc. (formerly Cades Technology Canada Inc.) 100 equity shares (31 March 2016: 100) of CAN\$ 1 each	4,596	4,596
AXIS Mechanical Engineering Design (Wuxi) Co., Ltd., 1 equity share (31 March 2016: 1) of no par value	4,268,488	4,268,488
AXISCADES GmbH * 1 equity share (31 March 2016: Nil) of no par value	1,886,750	-
AXISCADES Aerospace & Technologies Private Limited ** (refer note 24) 16,838,512 equity shares (31 March 2016: Nil) of ₹10 each	1,196,203,722	-
* During the year, the Company has incorporated a wholly owned subsidiary on 16 August 2016 in Germany, namely, AXISCADES GmbH, to explore opportunities in the European region.		
** Investment acquired pursuant to the scheme of amalgamation ₹ 1,046,203,760. Additional amount subsequently invested by the Company during the year ₹ 149,999,962.		
(ii) Other investments		
Axis Cogent Global Limited 946,822 (31 March 2016: 946,822) equity shares of ₹ 10 each	10,913,658	10,913,658
Datum Technology Limited 50,000 (31 March 2016: 50,000) equity shares of ₹ 10 each	500,000	500,000
Less: 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)
	-	-

(Amount in ₹)

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2017 (Cont'd)

	As at 31 March 2017	(Amount in ₹) As at 31 March 2016
(b) Non-trade		
National Savings Certificates	5,000	5,000
	1,423,240,998	225,150,526

11. DEFERRED TAXES

	As at 31 March 2017	(Amount in ₹) As at 31 March 2016
Deferred tax assets		
Provision for unbilled revenue	3,632,934	3,632,934
Provision for employee benefits	19,966,340	15,759,534
Lease rent equalisation	1,229,435	1,884,177
Expenses disallowed under Section 35DD of Income-tax Act, 1961	6,016,867	6,732,898
Allowances for doubtful duties and taxes recoverable	-	501,375
Total	30,845,576	28,510,918
Deferred tax liabilities		
Depreciation and amortisation	1,255,601	7,265,615
Total	1,255,601	7,265,615
Deferred tax asset, net	29,589,975	21,245,303

12. LOANS AND ADVANCES

(Unsecured, considered good)

	As at 31 March 2017		As at 31 March 2016	
	Long-term	Short-term	Long-term	Short-term
Security deposit	55,002,855	-	52,171,726	-
	55,002,855	-	52,171,726	-
Loans and advances to related parties *				
Subsidiaries [refer note 27 (v) and note (a) below]	-	36,823,828	137,500,000	7,958,105
	-	36,823,828	137,500,000	7,958,105
Other loans and advances *				
Advance taxes [net of provision for tax ₹ 324,773,010 (31 March 2016: ₹ 110,626,641)]	69,695,469	-	54,608,293	-
Duties and taxes recoverable	-	52,711,924	-	20,945,714
Prepaid expenses	2,405,199	32,165,656	4,284,695	25,045,642
Advance to suppliers	-	1,128,181	-	61,789
Advance to employees	-	6,050,580	-	4,221,891
Other advances	-	2,767,192	-	2,847,217
	72,100,668	94,823,533	58,892,988	53,122,253
(Unsecured, considered doubtful)				
Duties and taxes recoverable	-	-	-	1,448,725
Less: Allowances for doubtful duties and taxes recoverable	-	-	-	(1,448,725)
	-	-	-	-
	127,103,523	131,647,361	248,564,714	61,080,358

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2017 (Cont'd)

- (a) The Board of Directors approved Intercompany Deposits (ICD) of ₹ 150,000,000 to AXISCADES Aerospace & Technologies Private Limited (ACAT), subsidiary of the Company, at an interest rate of the 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 had advanced ₹ 12,500,000 to ACAT during the year ended 31 March 2017 and the entire amount of ICD has been repaid by ACAT during the year.

* Advances recoverable in cash or kind.

13. OTHER ASSETS

(Amount in ₹)

	As at 31 March 2017		As at 31 March 2016	
	Non-current	Current	Non-current	Current
Unbilled revenue				
Considered good	-	231,973,471	-	312,263,375
Doubtful	-	10,497,386	-	10,497,386
	-	242,470,857	-	322,760,761
Less: Allowances for doubtful unbilled revenue	-	(10,497,386)	-	(10,497,386)
	-	231,973,471	-	312,263,375
Bank deposits with maturity of more than 12 months (refer note 15)	7,289,849	-	15,041,965	-
Hedge asset	-	22,472,768	-	8,297,996
Interest accrued on fixed deposits	-	2,845,791	-	1,706,021
Interest accrued and due on ICD [refer note 12(a)]	-	14,084,383	-	3,220,959
Long-term trade receivables	1,312,325	-	1,312,325	-
	8,602,174	271,376,413	16,354,290	325,488,351

14. TRADE RECEIVABLES

(Unsecured)

(Amount in ₹)

	As at 31 March 2017	As at 31 March 2016
Outstanding for a period exceeding six months from the date they are due for payment		
Considered good	4,500,159	7,904,959
	4,500,159	7,904,959
Other debts	450,622,210	609,444,322
Considered good	455,122,369	617,349,281

As at 31 March 2017, trade receivables include a sum of ₹ 2,177,986 (31 March 2016: ₹ 2,370,765) 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.

15. CASH AND BANK BALANCES

(Amount in ₹)

	As at 31 March 2017		As at 31 March 2016	
	Non-current	Current	Non-current	Current
Cash and cash equivalents				
Cash on hand	-	62,625	-	174,437
Balances with banks in current accounts	-	191,324,835	-	93,783,275
	-	191,387,460	-	93,957,712

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2017 (Cont'd)

(Amount in ₹)

	As at 31 March 2017		As at 31 March 2016	
	Non-current	Current	Non-current	Current
Other bank balances				
Margin money deposits [refer note (a) below]	7,289,849	36,610,054	15,041,965	27,729,294
	7,289,849	36,610,054	15,041,965	27,729,294
Less: Amounts disclosed as other non-current assets (refer note 13)				
Margin money deposits	(7,289,849)	-	(15,041,965)	-
	-	227,997,514	-	121,687,006

(a) Fixed deposits given as security:

- Fixed deposits of a carrying amount ₹ 40,998,265 (31 March 2016: ₹ 40,998,265) have been deposited as margin money at 10% against the packing credit facility loan availed from a bank.
- Deposits of a carrying amount ₹ 2,901,638 (31 March 2016: ₹ 1,772,994) have been deposited as bank guarantee towards lien on various authorities and customers.

16. REVENUE FROM OPERATIONS

(Amount in ₹)

	Year ended 31 March 2017	Year ended 31 March 2016
Engineering design services	2,319,797,570	2,350,396,735
	2,319,797,570	2,350,396,735

17. OTHER INCOME

(Amount in ₹)

	Year ended 31 March 2017	Year ended 31 March 2016
Miscellaneous income	623,275	1,080,206
Net gain on foreign currency transaction and translation	10,206,377	16,040,388
Interest income		
- from fixed deposits	3,724,209	3,482,985
- from lease deposits	4,016,877	3,512,978
- from intercorporate deposits	20,689,315	3,220,959
- from income tax refund	2,549,572	-
Profit on sale of fixed assets	116,116	-
Provision no longer required, written back	32,925,596	2,267,977
	74,851,337	29,605,493

18. EMPLOYEE BENEFITS EXPENSE

(Amount in ₹)

	Year ended 31 March 2017	Year ended 31 March 2016
Salaries, wages and bonus	1,225,313,619	1,081,877,475
Contribution to provident and other funds	34,505,945	29,482,728
Contribution to overseas social security	84,571,167	75,632,645
Provision for gratuity [refer note 7(a)]	12,591,533	8,420,477
Provision for compensated absences	5,087,767	5,244,348
Staff welfare expense	26,878,415	22,483,836
	1,388,948,446	1,223,141,509

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2017 (Cont'd)

19. DEPRECIATION AND AMORTISATION EXPENSE

	Year ended 31 March 2017	Year ended 31 March 2016
Depreciation of tangible assets (refer note 9 A)	30,025,260	22,935,933
Amortisation of intangible assets (refer note 9 B)	68,962,912	69,522,445
	98,988,172	92,458,378

(Amount in ₹)

20. FINANCE COSTS

	Year ended 31 March 2017	Year ended 31 March 2016
Interest on		
- Loan from bank	9,124,848	9,322,001
- ICD	805,973	-
- Statutory payments	-	2,639,410
Other borrowing cost (processing fees)	3,161,716	5,892,725
	13,092,537	17,854,136

(Amount in ₹)

21. OTHER EXPENSES

	Year ended 31 March 2017	Year ended 31 March 2016
Rent	91,465,110	87,495,560
Power and fuel	24,005,000	21,891,463
Travelling and conveyance	134,414,626	124,779,000
Legal and professional charges	31,391,313	30,707,927
Repairs and maintenance		
- Building	20,386,749	17,738,646
- Others	6,456,142	5,640,177
Auditor's remuneration (refer note 30)	4,189,728	3,576,621
Equipment hire charges	6,738,478	13,865,152
Recruitment and training expenses	13,999,990	8,381,645
Marketing and advertising expenses	22,882,639	12,399,430
Communication expenses	31,367,927	27,940,621
Software subscription charges	74,897,569	68,129,503
Infrastructure usage charges	-	28,548,619
Printing and stationery	2,585,567	3,664,136
Security charges	5,073,818	4,152,082
Rates and taxes	7,987,481	4,290,066
Project consultancy charges	199,826,344	164,692,732
Insurance	1,000,731	683,580
Bank charges	2,069,233	1,567,719
Postage and courier charges	1,180,525	1,583,598
Bad debts written off	-	684,096
Directors sitting fees	6,960,000	8,080,000
Sales commission	121,289	1,001,341
Corporate social responsibility expenses (refer note 32)	45,00,000	2,484,000
Miscellaneous expenses	3,71,810	847,883
	693,872,069	644,825,597

(Amount in ₹)

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2017 (Cont'd)

22. EXCEPTIONAL ITEMS

	Year ended 31 March 2017	Year ended 31 March 2016
Expenses relating to the Scheme (refer note 24)	4,532,641	5,928,000
	4,532,641	5,928,000

(Amount in ₹)

23. EARNINGS PER SHARE (EPS)

	Year ended 31 March 2017	Year ended 31 March 2016
(a) Profit after tax attributable to equity shareholders (₹)	128,187,616	262,800,813
(b) Weighted average number of shares outstanding [refer note (i) below]	37,759,530	27,189,593
(c) Nominal value of shares (₹)	5.00	5.00
(d) Basic EPS (₹)	3.39	9.67
(e) Number of equity shares used to compute diluted EPS	37,759,530	27,189,593
(f) Diluted EPS (₹)	3.39	9.67

(Amount in ₹)

- (i) Equity shares issued during the reporting period as part of the consideration for the scheme of amalgamation is included in the computation of weighted average number of shares from the beginning of the reporting period i.e. 1 April 2016, which is also the appointed date. This effect is given to the computation of EPS for the year ended 31 March 2017.

24. SCHEME OF AMALGAMATION (SCHEME)

- (a) The Board of Directors of the Company at its meeting held on 14 August 2015, had approved the acquisition of AXISCADES Aerospace & Technologies Private Limited ("ACAT"), an aerospace, defence and homeland security technologies company by way of a Scheme of Amalgamation of India Aviation Training Institute Private Limited ("IAT") with ACETL. ACAT is a 100% subsidiary of IAT. The appointed date of the Scheme was 1 April 2016 and was subject to the approval of the majority of the shareholders and creditors of ACETL and IAT, the Hon'ble High Court and the permission and approval of any other statutory or regulatory authorities, as applicable.
- (b) Consequent to the approval of the Scheme of Amalgamation u/s 391 to 394 of the Companies Act, 1956 for the amalgamation of IAT with the Company, by the Hon'ble High Court of Karnataka on 4 November 2016, and effected on 5 December 2016 (effective date), being the date of filing with the Registrar of Companies, all the assets, liabilities and reserves of IAT were transferred to and vested in the Company with effect from 1 April 2016, the appointed date. These financial statements accordingly have been given effect of the Scheme of Amalgamation.
- (c) Pursuant to the Scheme, the shareholders of IAT are eligible to receive 10 equity shares of the Company of par value of ₹ 5 each fully paid up for every 45 equity shares held in IAT of par value of ₹ 10 each fully paid up ('Swap ratio'), with record date being 20 December 2016 as fixed by the Board of Directors of the Company. The Board of Directors of the Company at its meeting held on 30 December 2016, in terms of the said Scheme of Amalgamation has issued and allotted 10,569,937 new equity shares of the Company to the shareholders of IAT.
- (d) In accordance with Part B of the Scheme, all the assets and liabilities of IAT were transferred to the Company with effect from the appointed date at the respective book values in the financial statements of IAT. In accordance with the Pooling of Interests Method outlined in AS-14 "Accounting for Amalgamations" prescribed by the Companies (Accounting Standard) Rules, 2006, the surplus of the net assets acquired over the consideration issued has been credited to Capital Reserve determined as follows:

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2017 (Cont'd)

		(Amount in ₹)
		IAT
		As at 1 April 2016
NON-CURRENT ASSETS		
Non-current investments		1,046,203,760
CURRENT ASSETS		
Cash and bank balance		77,960
TOTAL	A	1,046,281,720
RESERVE AND SURPLUS		
Securities Premium		570,656,592
Deficit in Profit and Loss account		(9,036,428)
NON-CURRENT LIABILITIES		
Long-term borrowings		5,700,000
Other long-term liabilities		2,781,812
CURRENT LIABILITIES		
Trade payables		43,799
Other current liabilities		488,785
TOTAL	B	570,634,560
Net value of assets transferred pursuant to Scheme	C = A-B	475,647,160
Equity shares issued by ACETL to IAT (10,569,937 equity shares of ₹5 each, fully paid up)	D	52,849,685
Surplus credited to Capital reserve	E = C-D	422,797,475

- (e) Consequent to the scheme, these financial statements include the results of operations of erstwhile IAT w.e.f. 1 April 2016, as summarised below:

		(Amount in ₹)
		Year ended
		31 March 2017
Revenue	A	-
Expenses	B	2,235,796
Loss before tax	C=A-B	(2,235,796)
Current tax	D	-
Loss after tax	E=C-D	(2,235,796)

- (f) Consequent to the scheme, ACAT has become wholly owned subsidiary of the Company and ceases to be a fellow subsidiary of the Company. On account of which AXISCADES Aerospace Infrastructure Private Limited ('AAIPL') and Enertec Controls Limited ('Enertec'), subsidiaries of ACAT, have become step-down subsidiaries of the Company.
- (g) Consequent to the scheme, the figures for the year ended 31 March 2017 are not comparable with the corresponding figures for the year ended 31 March 2016.

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.

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2017 (Cont'd)

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

(a) Amount of investment in subsidiaries as at 31 March 2017

Subsidiary Companies	(Amount in ₹)	
	Amount Outstanding as at 31 March 2017	Maximum amount outstanding during the year
AXISCADES, Inc. (formerly known as 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
AXISCADES GmbH	1,886,750	1,886,750
AXISCADES Aerospace & Technologies Private Limited	1,196,203,722	1,196,203,722

(b) Amount of loans and advances* in the nature of loans outstanding from subsidiaries as at 31 March 2017

Subsidiary Companies	(Amount in ₹)	
	Amount Outstanding as at 31 March 2017	Maximum amount outstanding during the year
AXISCADES, Inc. (formerly known as Axis, Inc.)	661,669	1,223,065
AXISCADES UK Limited (formerly known as Axis EU Europe Limited)	1,132,316	1,132,316
AXISCADES Technology Canada Inc. (formerly known as Cades Technology Canada Inc.)	7,869,972	7,869,972
AXISCADES Aerospace & Technologies Private Limited	41,244,254	189,081,149

* Includes interest and expenses recoverable.

27 RELATED PARTY DISCLOSURES

i. Parties where control exists:

Nature of relationship	Name of party
Holding Company	Jupiter Capital Private Limited ('JCPL')
Subsidiary companies	AXISCADES, Inc. (formerly known as 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. AXISCADES GmbH AXISCADES Aerospace & Technologies Private Limited [refer note 24 (f)] Enertec Controls Limited, a step down subsidiary [refer note 24 (f)] AXISCADES Aerospace Infrastructure Private Limited (formerly known as Jupiter Aviation Services Pvt Ltd, a step down subsidiary) [refer note 24 (f)]

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

Subsidiary	AXISCADES Aerospace & Technologies Private Limited [refer note 24 (f)]
Fellow subsidiary	Indian Aero Ventures Private Limited

iii. Key management personnel:

Vice Chairman and Executive Director	Mr. Sudhakar Gande
Chief Executive Officer and Director	Mr. Valmeekanathan S. (resigned as Chief Executive Officer w.e.f. 8 January 2017)
Chief Financial Officer	Mr. Kaushik Sarkar

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2017 (Cont'd)

iv. Transactions with related parties:

Nature of transaction	Relationship	(Amount in ₹)	
		Year ended 31 March 2017	Year ended 31 March 2016
Revenue from operations			
AXISCADES, Inc.	Subsidiary	165,788,281	115,689,222
AXISCADES UK Limited	Subsidiary	7,628,529	26,178,799
AXISCADES Technology Canada Inc.	Subsidiary	132,884,123	165,557,736
Remuneration [refer note (a) below]			
Mr. Sudhakar Gande	Key management personnel	32,025,448	15,612,903
Mr. Valmeekanathan S.	Key management personnel	6,319,350	13,380,000
Mr. Kaushik Sarkar	Key management personnel	8,234,009	8,694,624
Expenses incurred on behalf of			
AXISCADES, Inc.	Subsidiary	1,390,531	5,310,595
AXISCADES UK Limited.	Subsidiary	1,161,543	1,003,692
AXISCADES Technology Canada Inc.	Subsidiary	2,905,243	3,330,787
AXISCADES Aerospace & Technologies Private Limited	Subsidiary [refer note 24 (f)]	6,851,689	-
AXISCADES GmbH	Subsidiary	239,368	-
Software subscription charges			
AXISCADES Inc.	Subsidiary	12,972,907	13,886,610
Books and periodicals expense charged by			
AXISCADES, Inc.	Subsidiary	72,766	-
Salaries, wages and bonus charged to			
AXISCADES Technology Canada Inc.	Subsidiary	5,264,923	5,655,488
AXISCADES Aerospace & Technologies Private Limited	Subsidiary [refer note 24 (f)]	17,522,872	-
Salaries, wages and bonus charged by			
AXISCADES, Inc.	Subsidiary	29,857,880	15,706,378
AXISCADES UK Limited	Subsidiary	5,328,043	4,519,282
Services received from			
AXISCADES UK Limited	Subsidiary	5,692,287	-
Travel expenses reimbursed to			
AXISCADES Aerospace & Technologies Private Limited	Subsidiary [refer note 24 (f)]	-	2,483,135
Intercompany deposits extended to			
AXISCADES Aerospace & Technologies Private Limited	Subsidiary [refer note 24 (f)]	12,500,000	137,500,000
Intercompany deposits repaid by			
AXISCADES Aerospace & Technologies Private Limited	Subsidiary [refer note 24 (f)]	150,000,000	-

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2017 (Cont'd)

Nature of transaction	Relationship	(Amount in ₹)	
		Year ended 31 March 2017	Year ended 31 March 2016
Intercorporate deposits availed from			
Jupiter Capital Private Limited [refer note 24 (g)]	Holding Company	1,600,000	-
Investment			
AXISCADES GmbH	Subsidiary	1,886,750	-
AXISCADES Aerospace & Technologies Private Limited	Subsidiary [refer note 24 (f)]	149,999,962	-
Interest Income on Intercorporate deposit			
AXISCADES Aerospace & Technologies Private Limited	Subsidiary [refer note 24 (f)]	20,689,315	3,220,959
Interest expense on intercorporate deposit			
Jupiter Capital Private Limited [refer note 24 (g)]	Holding Company	805,973	-
Capital expenditure reimbursed			
Jupiter Capital Private Limited	Holding Company	-	113,178

(a) As the future liability for gratuity is provided on an actuarial basis for the company as a whole, the amount pertaining to individual is not ascertainable and therefore not included above.

v. *Balances as at the year end:*

Nature of transaction	Relationship	(Amount in ₹)	
		Year ended 31 March 2017	Year ended 31 March 2016
Trade receivables			
AXISCADES, Inc.	Subsidiary	25,185,180	18,934,234
AXISCADES UK Limited	Subsidiary	8,445,619	20,324,531
AXISCADES Technology Canada Inc.	Subsidiary	8,921,123	13,261,409
AXISCADES GmbH	Subsidiary	239,368	-
Unbilled revenue			
AXISCADES Technology Canada Inc.	Subsidiary	10,501,023	13,014,031
AXISCADES, Inc.	Subsidiary	14,078,036	12,011,586
AXISCADES UK Limited	Subsidiary	762,372	2,560,915
Investments			
AXISCADES, 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
AXISCADES GmbH	Subsidiary	1,886,750	-
AXISCADES Aerospace & Technologies Private Limited	Subsidiary [refer note 24 (f)]	149,999,962	-
Intercorporate deposit receivable			
AXISCADES Aerospace & Technologies Private Limited	Subsidiary [refer note 24 (f)]	-	137,500,000

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2017 (Cont'd)

Nature of transaction	Relationship	(Amount in ₹)	
		Year ended 31 March 2017	Year ended 31 March 2016
Intercorporate deposit payable			
Jupiter Capital Private Limited [refer note 24 (g)]	Holding Company	7,300,000	-
Other payables			
Indian Aero Ventures Private Limited [refer note 24 (g)]	Fellow subsidiary	2,781,812	-
Interest receivable			
AXISCADES Aerospace & Technologies Private Limited	Subsidiary [refer note 24 (f)]	14,084,383	3,220,959
Interest payable			
Jupiter Capital Private Limited [refer note 24 (g)]	Holding Company	1,234,629	-
Loans and advances			
Expenses recoverable			
AXISCADES, Inc.	Subsidiary	661,669	1,223,065
AXISCADES UK Limited	Subsidiary	1,132,316	950,882
AXISCADES Technology Canada Inc.	Subsidiary	7,869,972	5,784,159
AXISCADES Aerospace & Technologies Private Limited	Subsidiary [refer note 24 (f)]	27,159,871	-
Trade payables			
AXISCADES, Inc.	Subsidiary	8,804,622	19,226,997
AXISCADES UK Limited	Subsidiary	3,662,954	4,273,110
Remuneration payable [refer note (iv) (a) above]			
Mr. Sudhakar Gande	Key management personnel	8,312,035	6,400,000
Mr. Valmeekanathan S.	Key management personnel	-	3,840,000
Mr. Kaushik Sarkar	Key management personnel	999,909	2,037,600

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 2017 was ₹ 91,465,110 (31 March 2016: ₹ 87,495,560).

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

Payments falling due:

	(Amount in ₹)	
	As At 31 March 2017	As At 31 March 2016
Not later than one year	10,017,881	17,416,057
Later than one year but not later than 5 years	2,065,856	9,826,198
	12,083,737	27,242,255

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 21 to the financial statements.

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2017 (Cont'd)

29. PARTICULARS RELATING TO FOREIGN EXCHANGE

	Year ended 31 March 2017	Year ended 31 March 2016
(Amount in ₹)		
Earnings in foreign exchange		
Revenue from engineering design services	1,913,749,395	1,843,201,543
	1,913,749,395	1,843,201,543
Expenditure in foreign currency		
Bank charges	1,497,713	1,373,101
Software subscription charges	23,658,578	23,282,504
Project consultancy charges	168,541,946	134,521,744
Sale commission	121,289	1,001,341
Employee benefits expense	563,039,806	480,908,465
Travelling and conveyance	75,281,550	81,171,932
Communication expenses	13,551,031	12,780,542
Rent	8,579,118	5,990,369
Legal and professional charges	16,923,072	12,271,390
Repairs and maintenance	2,386,836	3,530,856
Rates and taxes	4,267,466	3,304,365
Infrastructure usage charges	-	28,548,619
Other expenses	10,138,282	1,600,243
	887,986,687	790,285,471
Value of imports on CIF Basis		
Capital goods	3,837,475	26,898,944
	3,837,475	26,898,944

30. AUDITOR'S REMUNERATION *

	Year ended 31 March 2017	Year ended 31 March 2016
(Amount in ₹)		
Statutory audit fees	3,550,000	3,050,000
Tax audit fees	250,000	250,000
Other fees	120,000	120,000
Out of pocket expenses	269,728	156,621
	4,189,728	3,576,621

*Excluding service tax

31. COMMITMENTS

	Year ended 31 March 2017	Year ended 31 March 2016
(Amount in ₹)		
Capital commitments	-	5,332,532
	-	5,332,532

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 2017 amounts to ₹ 4,474,852 (31 March 2016: ₹ 2,484,000). The Company has paid ₹ 4,500,000 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 2017 (Cont'd)

33. HEDGING AND DERIVATIVES

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

Included in Particulars	Currency	31 March 2017				31 March 2016					
		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 ₹
I) Assets:											
Trade receivables	USD	64.84	5,207,263	5,207,263	-	-	6,620,024	6,250,000	370,024	24,544,765	
	EURO	69.25	536,949	62,000	474,949	32,889,051	861,436	700,000	161,436	12,123,117	
	GBP	80.88	118,422	-	118,422	9,577,936	213,744	-	213,744	20,324,532	
	CAD	48.71	183,142	-	183,142	8,921,123	-	-	-	-	
Unbilled revenue	USD	64.84	2,451,431	734,737	1,716,694	111,308,043	4,369,995	-	4,369,995	289,874,448	
	EURO	69.25	398,444	-	398,444	27,591,256	74,072	-	74,072	5,562,474	
	GBP	80.88	9,426	-	9,426	762,372	26,932	-	26,932	2,560,915	
	CAD	48.71	215,576	-	215,576	10,501,023	-	-	-	-	
Advance to subsidiaries	USD	64.84	10,205	-	10,205	661,669	18,439	-	18,439	1,223,112	
	GBP	80.88	14,000	-	14,000	1,132,316	10,000	-	10,000	950,882	
	CAD	48.71	161,562	-	161,562	7,869,972	113,195	-	113,195	5,784,165	
Cash and bank balances	USD	64.84	1,390,763	-	1,390,763	90,175,144	664,930	-	664,930	44,106,735	
	EURO	69.25	504,202	-	504,202	34,914,757	441,134	-	441,134	33,127,178	
	AED	17.66	156,145	-	156,145	2,757,891	142,961	-	142,961	2,578,802	
	DKK	9.35	2,708,208	-	2,708,208	25,325,887	1,343,928	-	1,343,928	13,668,339	
	KRW	0.06	676,668	-	676,668	39,316	1,442,718	-	1,442,718	83,826	
II) Liabilities:											
Trade payables	USD	64.84	376,710	-	376,710	24,425,342	335,557	-	335,557	22,258,476	
	EURO	69.25	249,650	-	249,650	17,287,683	745,838	-	745,838	56,009,105	
	GBP	80.88	45,289	-	45,289	3,662,954	44,938	-	44,938	4,273,110	
	DKK	9.35	137,208	-	137,208	1,283,107	3,125	-	3,125	31,763	
Dues to employees	EURO	69.25	56,776	-	56,776	3,931,567	373,872	-	373,872	28,076,105	
	DKK	9.35	28,801	-	28,801	269,329	342,539	-	342,539	3,483,772	
Duties and taxes payable	EURO	69.25	569,347	-	569,347	39,425,932	652,911	-	652,911	49,030,678	
	KRW	0.06	5,645,501	-	5,645,501	328,021	3,707,709	-	3,707,709	215,429	
	DKK	9.35	1,047,022	-	1,047,022	9,791,256	945,969	-	945,969	9,620,921	
Creditors for capital goods	EURO	69.25	-	-	-	-	5,375	-	5,375	403,638	
Working capital loans	USD	64.84	3,700,000	-	3,700,000	239,902,820	3,382,127	-	3,382,127	224,346,288	
III) Commitments:											
Capital commitments	Euro	69.25	-	-	-	-	15,120	-	15,120	1,135,444	

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2017 (Cont'd)

34 DISCLOSURE ON SPECIFIED BANK NOTES (SBNs)

During the year, the Company had specified bank notes or other denomination note as defined in the MCA notification G.S.R. 308(E) dated 31 March 2017 on the details of Specified Bank Notes (SBN) held and transacted during the period from 8 November 2016 to 30 December 2016, the denomination wise SBNs and other notes as per the notification is given below:

Particulars	SBNs	Other denomination notes	(Amount in ₹)
			Total
Closing cash on hand as on 8 November 2016	29,000	17,562	46,562
Add: Permitted receipts ¹	13,000	244,055	257,055
Less: Permitted payments	(2,000)	(227,359)	(229,359)
Less: Amount deposited in Banks	(40,000)	-	(40,000)
Closing cash on hand as on 30 December 2016	-	34,258	34,258

* For the purposes of this clause, the term 'Specified Bank Notes' shall have the same meaning provided in the notification of the Government of India, in the Ministry of Finance, Department of Economic Affairs number S.O. 3407(E), dated the 8 November 2016.

¹ Permitted receipts of SBNs pertains to the imprest cash advance given earlier to an employee in SBNs.

35 TRANSFER PRICING

The Finance Act, 2001 has introduced, with effect from Assessment Year 2002-03 (effective 1 April 2001), detailed Transfer Pricing regulations for computing the taxable income and expenditure from 'international transactions' between 'associated enterprises' on an 'arm's length' basis. These regulations, inter alia, also require the maintenance of prescribed documents and information including furnishing a report from an Accountant within due date of filing the Return of Income. The Company is in the process of updating the Transfer Pricing documentation for the financial year ended 31 March 2017 following a detailed transfer pricing study conducted for the financial year ended 31 March 2016. 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.

36 PREVIOUS YEAR FIGURES

Previous year's figures have been regrouped / reclassified wherever necessary, to conform to current year's classification [refer note 24 (g)].

For **Walker Chandniok & Co LLP**
Chartered Accountants

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

30 May 2017
Bengaluru

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

sd/-
Vivek Mansingh
Chairman and Director
DIN: 06903079


sd/-
Kaushik Sarkar
Chief Financial Officer

30 May 2017
Bengaluru

sd/-
Sudhakar Gande
Vice Chairman and Executive Director
DIN: 00987566

sd/-
Shweta Agrawal
Company Secretary
Membership no.: 14148

30 May 2017
Bengaluru



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 2017, 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 prescribed 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 of the provisions of the Act, the respective Board of Directors of the Holding Company and its subsidiaries, which are incorporated in India, are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets and for 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. These financial statements 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 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 these 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 these 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 separate financial statements and on the other financial information of the subsidiaries, 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 2017, and 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 seven subsidiaries, included in the consolidated financial statement, whose financial statements reflect total assets (after eliminating intra-group transactions) of ₹ 2,317,454,058 and net assets of ₹ 1,468,868,805 as at 31 March 2017, total revenues (after eliminating intra-group transactions) of ₹ 1,662,558,996 and net cash inflows amounting to ₹ 12,244,423 for the year ended on that date, as considered in the consolidated financial

statements. 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, 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, based on our audit and on the consideration of the reports of the other auditors on separate financial statements 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 prescribed 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 and taken on record by the Board of Directors of the Holding Company and the reports of the other statutory auditors of its subsidiary companies covered under the Act, none of the directors of the Group companies covered under the Act, are disqualified as on 31 March 2017 from being appointed as a director in terms of Section 164(2) of the Act;
 - f) With respect to the adequacy of the internal financial controls over financial reporting of the Holding Company, and its subsidiary companies covered under the Act and the operating effectiveness of such controls, refer to our separate report in 'Annexure I';
 - 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 (as amended), 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 report of the other auditors on separate financial statements as also the other financial information of the subsidiaries:
 - (i) There were no pending litigations as at 31 March 2017 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;
 - (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 companies incorporated in India;
 - (iv) These consolidated financial statements have made requisite disclosures as to holdings as well as dealings in specified bank notes during the period from 8 November 2016 to 30 December 2016 by the Holding Company, and its subsidiary companies covered under the Act. Based on the audit procedures performed and taking into consideration the information and explanations given to us and on consideration of the reports of the other auditors on separate financial statements and other financial information, in our opinion, these disclosures are in accordance with the books of account maintained by the respective companies.

for **Walker Chandio & Co LLP**
Chartered Accountants
Firm's Registration No.: 001076N/N500013

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

30 May 2017
Bengaluru

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 2017

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 the 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 2017, we have audited the internal financial controls over financial reporting (IFCoFR) of the Holding Company and its subsidiary companies, which are companies incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

2. The respective Board of Directors of the Holding Company, its subsidiary companies, which are companies 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, its subsidiary companies, 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 and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the IFCoFR of the Holding Company, its subsidiary companies, 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, its subsidiary companies, which are companies 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 2017, 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.

Other Matters

9. We did not audit the IFCoFR insofar as it relates to 3 subsidiary companies, which are companies incorporated in India, whose financial statements reflect total assets (after eliminating intra-group transactions) of ₹ 2,113,224,356 as at 31 March 2017, total revenues (after eliminating intra-group transactions) of ₹ 1,204,505,101 and net cash flows amounting to ₹ 62,901,924 for the year ended on that date. Our report on the adequacy and

operating effectiveness of the IFCoFR for the Holding Company, its subsidiary companies, which are companies incorporated in India, under Section 143(3)(i) of the Act insofar as it relates to the aforesaid subsidiaries, which are companies incorporated in India, is solely based on the corresponding reports of the auditors of such companies. Our opinion is not modified in respect of the above matter with respect to our reliance on the work done by and the reports of the other auditors.

for **Walker Chandio & Co LLP**
Chartered Accountants
Firm's Registration No.: 001076N/N500013

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

30 May 2017
Bengaluru

CONSOLIDATED BALANCE SHEET

	NOTE	As at 31 March 2017	(Amount in ₹) As at 31 March 2016
EQUITY AND LIABILITIES			
SHAREHOLDERS' FUNDS			
Share capital	3	188,950,950	136,101,265
Reserves and surplus	4	2,695,974,121	1,440,851,699
		2,884,925,071	1,576,952,964
MINORITY INTEREST	5	30,062,864	25,736,262
NON-CURRENT LIABILITIES			
Long-term borrowings	6	280,770,075	-
Other long term liabilities	7	5,278,188	-
Long-term provisions	8	55,220,929	39,327,898
		341,269,192	39,327,898
CURRENT LIABILITIES			
Short-term borrowings	6	539,625,272	273,269,603
Trade payables	9	-	-
Total outstanding dues of micro enterprises and small enterprises		-	-
Total outstanding dues of creditors other than micro enterprises and small enterprises		275,134,759	182,696,448
Other current liabilities	7	358,575,860	279,260,129
Short-term provisions	8	45,539,571	57,101,852
		1,218,875,462	792,328,032
TOTAL		4,475,132,589	2,434,345,156
ASSETS			
NON-CURRENT ASSETS			
Fixed assets			
Tangible assets	10 A	619,780,416	88,997,207
Intangible assets	10 B	304,856,773	135,482,457
Intangible assets under development	10 C	-	11,163,459
Capital work-in-progress		252,572,980	-
Goodwill on consolidation		386,814,787	251,260,610
Non-current investments	11	18,500	5,000
Deferred tax assets, net	12	28,439,779	27,222,293
Long-term loans and advances	13	458,298,625	253,607,945
Other non-current assets	14	89,375,491	16,354,290
		2,140,157,351	784,093,261
CURRENT ASSETS			
Current Investments	11	3,499,756	-
Inventories	15	19,530,606	-
Trade receivables	16	844,276,212	842,285,887
Cash and bank balances	17	719,445,229	335,435,684
Short-term loans and advances	13	206,270,278	98,678,715
Other current assets	14	541,953,157	373,851,609
		2,334,975,238	1,650,251,895
TOTAL		4,475,132,589	2,434,345,156
Summary of significant accounting policies and other explanatory information	1 - 40		
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**
Chartered Accountants

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

30 May 2017
Bengaluru

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

sd/-
Vivek Mansingh
Chairman and Director
DIN: 06903079

sd/-
Kaushik Sarkar
Chief Financial Officer

30 May 2017
Bengaluru

sd/-
Sudhakar Gande
Vice Chairman and Executive Director
DIN: 00987566

sd/-
Shweta Agrawal
Company Secretary
Membership no.: 14148

30 May 2017
Bengaluru

CONSOLIDATED STATEMENT OF PROFIT AND LOSS

	NOTE	Year ended 31 March 2017	(Amount in ₹) Year ended 31 March 2016
REVENUE			
Revenue from operations	18	4,835,939,639	3,753,888,481
Other income	19	154,302,669	39,183,123
TOTAL REVENUE		4,990,242,308	3,793,071,604
EXPENSES			
Cost of materials consumed	20	669,557,286	-
Employee benefits expense	21	2,521,580,501	2,280,767,498
Depreciation and amortisation expense	22	142,950,928	101,866,383
Finance costs	23	117,331,350	18,367,790
Other expenses	24	1,271,485,445	938,670,052
TOTAL EXPENSES		4,722,905,510	3,339,671,723
PROFIT BEFORE EXCEPTIONAL ITEMS AND TAX			
Exceptional Items	25	(5,233,897)	5,928,000
PROFIT BEFORE TAX		272,570,695	447,471,881
Tax expense:			
- Current tax			
Domestic (net of reversal of excess tax provision of prior year ₹ Nil (2016: ₹ 5,584,521))		101,193,538	140,301,899
Foreign taxes (net of prior year foreign tax ₹ Nil (2016: ₹ 756,787))		13,436,218	18,183,672
- Minimum alternative tax credit		(7,989,887)	-
- Deferred tax charge / (credit) [includes prior year deferred tax expense ₹ 17,866,547 (2016: Nil)]		30,190,025	(887,341)
PROFIT AFTER TAX AND BEFORE MINORITY INTEREST		135,740,801	289,873,651
Minority interest		4,326,602	4,074,009
NET PROFIT FOR THE YEAR		131,414,199	285,799,642
Earnings per equity share:			
- Basic	26	3.48	10.51
- Diluted		3.48	10.51
Nominal value per share		5.00	5.00
Summary of significant accounting policies and other explanatory information	1 - 40		
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**
Chartered Accountants

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

30 May 2017
Bengaluru

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

sd/-
Vivek Mansingh
Chairman and Director
DIN: 06903079

sd/-
Kaushik Sarkar
Chief Financial Officer

30 May 2017
Bengaluru

sd/-
Sudhakar Gande
Vice Chairman and Executive Director
DIN: 00987566

sd/-
Shweta Agrawal
Company Secretary
Membership no.: 14148

30 May 2017
Bengaluru

CONSOLIDATED CASH FLOW STATEMENT

(Amount in ₹)

	Year ended 31 March 2017	Year ended 31 March 2016
A. Cash flow from operating activities		
Profit before tax and after exceptional items	272,570,695	447,471,881
Adjustment for:		
Depreciation and amortisation expense	142,950,928	101,866,383
Dividend income from mutual funds	(173,756)	(191,939)
Unrealised foreign exchange loss / (gain)	596,430	(9,104,717)
Provision no longer required, written back (includes ₹ 9,766,538 included in exceptional items)	(73,584,793)	(2,267,977)
Liabilities no longer required, written back	(13,897,275)	-
Finance costs	117,331,350	18,367,790
Profit on sale of fixed assets	(5,377,749)	-
Bad debts written off	168,893	684,096
Provision for gratuity and compensated absences	26,470,918	16,638,719
Interest income	(49,870,022)	(11,037,716)
Other recoverable written off	1,078,927	2,629,496
Operating profit before working capital changes	418,264,546	565,056,016
Movements in working capital		
Decrease in inventories	10,553,313	-
Decrease / (increase) in trade receivables	161,688,281	(211,443,640)
Decrease / (increase) in loans and advances	271,400,748	(54,155,652)
Decrease / (increase) in other current assets	212,687,499	(69,308,022)
(Decrease) / increase in current liabilities	(619,478,190)	182,086,561
(Decrease) / increase in provisions	(138,025,626)	17,278,804
Cash generated from operating activities	317,090,571	429,514,067
Direct taxes paid (Net of refunds)	(230,929,213)	(122,176,177)
Net cash generated from operating activities (A)	86,161,358	307,337,890
B. Cash flow from investing activities		
Purchase of fixed assets	(287,316,783)	(83,049,184)
Proceed from sale of fixed assets	116,116	-
Investments in fixed deposits, net	29,392,497	24,599,007
Investment in current investments	(59,000,000)	(44,900,000)
Redemption of current investments	55,674,000	48,467,102
Proceed from sale of non-current investment	263,848,342	-
Investment in intercorporate deposit	-	(161,500,000)
Realisation from intercorporate deposit	6,500,000	-
Interest received	16,911,700	9,869,709
Net cash generated from / (used in) investment activities (B)	26,125,872	(206,513,366)
C. Cash flow from financing activities		
Proceed from intercorporate deposits	119,100,000	-
Repayments of intercorporate deposits	(131,993,094)	-
Proceeds from working capital loans and buyer's credit, net	87,037,262	22,018,927
Repayments of term loan from bank	-	(15,000,000)
Finance costs paid	(63,341,047)	(15,728,399)
Net cash generated from / (used in) financing activities (C)	10,803,121	(8,709,472)

	Year ended 31 March 2017	(Amount in ₹) Year ended 31 March 2016
Net increase in cash and cash equivalents (A + B + C)	123,090,351	92,115,052
Effect of exchange rate changes, net	(5,162,072)	5,632,477
Cash and cash equivalents as at beginning of the year	262,877,842	165,130,313
Cash and cash equivalents acquired on account of amalgamation [refer note 27 (d)]	77,960	-
Cash and cash equivalents transferred consequent to the consolidation of subsidiaries of erstwhile India Aviation Training Institute Private Limited ("IAT") [refer note 27 (f) (ii)]	1,592,466	-
Cash and cash equivalents as at end of the year	382,476,547	262,877,842
Components of cash and cash equivalents		
Cash and bank balances (Also, refer note 17)	719,445,229	335,435,684
Less: Bank deposits and margin money deposits considered separately	(336,968,682)	(72,557,842)
	382,476,547	262,877,842

Non-cash investing and financing activities (refer note 27)

In accordance with the Scheme, all the assets and liabilities of IAT were transferred to the Company with effect from the appointed date at the respective book values in the financial statements of IAT. Pursuant to the Scheme, the Company has issued and allotted 10,569,937 new equity shares of the Company to the shareholders of IAT. The surplus of the net assets acquired over the consideration issued has been credited to Capital Reserve.

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

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

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

30 May 2017
Bengaluru

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

sd/-
Vivek Mansingh
Chairman and Director
DIN: 06903079

sd/-
Kaushik Sarkar
Chief Financial Officer

30 May 2017
Bengaluru

sd/-
Sudhakar Gande
Vice Chairman and Executive Director
DIN: 00987566

sd/-
Shweta Agrawal
Company Secretary
Membership no.: 14148

30 May 2017
Bengaluru

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2017

1 BACKGROUND

AXISCADES Engineering Technologies Limited ('the Company' / 'the Parent Company' / 'ACETL'), 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. 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.

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries ('the Group') listed below:

Name of the subsidiaries	Country of incorporation	Ownership interest (%)	
		31 March 2017	31 March 2016
AXISCADES, Inc. (formerly known as Axis Inc.) ¹	USA	100%	100%
AXISCADES UK Limited (formerly known as Axis EU Europe Limited), Subsidiary of AXISCADES Inc. ("AXISCADES UK")	UK	100%	100%
AXISCADES Technology Canada Inc. (formerly known as Cades Technology Canada Inc.) ("AXISCADES Canada")	Canada	100%	100%
Axis Mechanical Engineering Design (Wuxi) Co., Ltd. ("Axis China")	China	100%	100%
AXISCADES GmbH ²	Germany	100%	NA
Cades Studec Technologies (India) Private Limited ('Studec')	India	76%	76%
AXISCADES Aerospace & Technologies Private Limited (ACAT) ³	India	100%	NA
Enertec Controls Limited, Subsidiary of ACAT ("Enertec") ³	India	100%	NA
AXISCADES Aerospace & Infrastructure Private Limited, Subsidiary of ACAT ("AAIPL") ³	India	100%	NA

¹ With effect from 9 December 2016, the company is known as AXISCADES, Inc..

² During the year, the Company has incorporated a wholly owned subsidiary on 16 August 2016 in Germany, namely, AXISCADES GmbH, to explore opportunities in the European region.

³ AXISCADES Aerospace & Technologies Private Limited ('ACAT'), step-down wholly owned subsidiary of India Aviation Training Institute Private Limited ('IAT') is now a wholly owned subsidiary of ACETL pursuant to the Scheme. Consequently Enertec Controls Limited and AXISCADES Aerospace & Infrastructure Private Limited, subsidiaries of ACAT are now a step down wholly owned subsidiaries of ACETL. [refer note 27 (g)].

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 interest 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 Group have been prepared under historical cost convention in accordance with the generally accepted accounting principles in India (Indian

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2017 (Cont'd)

GAAP). The Group 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 (as amended). The accounting policies applied by the Company are consistent with those used in the prior period, unless otherwise stated.

(c) Use of estimates

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

(d) Revenue recognition

The Group derives its revenues primarily from engineering design services and sale of goods. 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 Service 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.

Revenue from the Sale of goods is recognised when property in the goods are transferred in accordance with the terms of sale and upon the transfer of significant risks and rewards of ownership to the customers.

Interest income

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.

Dividend income

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

Rental income

Rental income is recognised on accrual basis in accordance with the terms of the respective lease agreements.

(e) Fixed assets and depreciation/amortisation

Tangible assets

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

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2017 (Cont'd)

Intangible assets under development

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

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

Depreciation and amortisation

Depreciation/amortisation is provided under the straight-line method based on the estimated useful life of the assets. Depreciation/amortisation is calculated on a pro-rata basis 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)
<i>Tangible assets</i>	
Computers	3
Furniture and fixtures*	7
Office equipment*	7
Plant and machinery	7
Electrical installations*	7
Office buildings*	61
Vehicles*	5

* Based on internal assessment by the respective managements of the Group, 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.

Intangible assets

Non-compete fee is amortised over the period of expected benefit. Goodwill on amalgamation is being amortised over the period of 5 and 10 years of nature of business. Trademark

purchased is amortised proportionately over a period of 10 years. Process manuals are amortised over the remaining project term or the remaining 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. Computer software is amortised over a period of 3 years.

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

(g) Investments

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

(h) Inventories

Inventories comprising of project work in progress are valued at lower of cost and net realisable value. Cost includes direct material, direct labour and related production expenses. Cost is determined on First In First Out (FIFO) basis. Net realizable value is the estimated selling price in the ordinary course of business less estimated cost necessary to make the sale.

(i) Foreign currency transactions and translation

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.

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2017 (Cont'd)

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

The Company has adopted the provisions specified in Guidance Note on Accounting for Derivative Contracts, issued by the Institute of Chartered Accountants of India (ICAI) in June 2015 which is effective 1 April 2016. 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 forward contracts are based on whether they meet the criteria for designation as effective cash flow hedges. To designate a forward contract as an effective cash flow hedge, the Company objectively evaluates

with appropriate supporting documentation at the inception of the each contract whether the contract is effective in achieving offsetting cash flows attributable to the hedged risk. Effective hedge is generally measured by comparing the cumulative change in the fair value of the hedge contract with a cumulative change in the fair value of the hedged item.

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

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

(k) 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

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2017 (Cont'd)

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.

(l) 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.

(m) Leases

Finance leases

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

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

Operating leases

Leases, where the lessor effectively retains substantially all the risks and benefits of ownership of the leased item, are classified as operating leases. Operating lease payments

are recognised as an expense in the Statement of Profit and Loss on a straight-line basis over the lease term.

(n) 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. Disclosure for 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.

Provision for estimated warranty cost is made based on past experience and management's estimate of expenses to be incurred during the unexpired warranty period.

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.

(o) Earnings per share

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders (after deducting 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.

(p) 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

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2017 (Cont'd)

(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.

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.

(q) Cash and cash equivalents

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

(r) 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 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 assets and liabilities" respectively.

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2017 (Cont'd)

3. SHARE CAPITAL

	As at 31 March 2017		As at 31 March 2016	
	Number	₹	Number	₹
Authorised				
Equity shares of ₹ 5 each	204,000,000	1,020,000,000	108,000,000	540,000,000
Preference shares of ₹ 100 each	100,000	10,000,000	100,000	10,000,000
	204,100,000	1,030,000,000	108,100,000	550,000,000
Issued share capital				
Equity shares of ₹ 5 each fully paid up	37,810,630	189,053,150	27,240,693	136,203,465
Subscribed and paid up				
Equity shares of ₹ 5 each fully paid	37,759,530	188,797,650	27,189,593	135,947,965
Add: Forfeited shares (amount originally paid ₹ 3 per share on 51,100 equity shares)	-	153,300	-	153,300
	37,759,530	188,950,950	27,189,593	136,101,265

(a) Reconciliation of the equity shares

	As at 31 March 2017		As at 31 March 2016	
	Number	₹	Number	₹
Balance at the beginning of the year	27,189,593	136,101,265	27,189,593	136,101,265
Add: Issued during the year [refer note 27 (c)]	10,569,937	52,849,685	-	-
Balance at the end of the year	37,759,530	188,950,950	27,189,593	136,101,265

(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 2017		As at 31 March 2016	
	Number	₹	Number	₹
Holding Company:				
Jupiter Capital Private Limited	6,648,952	33,244,760	236,178	1,180,890
Subsidiaries of Holding Company:				
Tayana Digital Private Limited	12,142,100	60,710,500	12,142,100	60,710,500
Indian Aero Ventures Private Limited	6,154,219	30,771,095	3,696,236	18,481,180

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

	As at 31 March 2017		As at 31 March 2016	
	Number	%	Number	%
(i) Jupiter Capital Private Limited	6,648,952	17.61%	236,178	0.9%
(ii) Tayana Digital Private Limited	12,142,100	32.16%	12,142,100	44.66%
(iii) Indian Aero Ventures Private Limited	6,154,219	16.30%	3,696,236	13.59%

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2017 (Cont'd)

- (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 are as follows:

	2016-17 *	2015-16	2014-15	2013-14	2012-13
(Amount in ₹)					
Equity Shares:					
Allotted as fully paid up under Scheme of Arrangement	10,569,937	-	7,229,112	-	-

* [refer note 27(c)]

4. RESERVES AND SURPLUS

	As at 31 March 2017	As at 31 March 2016
(Amount in ₹)		
(a) Securities premium account		
Balance at the beginning of the year	436,869,738	436,869,738
Add: Transferred pursuant to the Scheme [refer note 27 (d)]	570,656,592	-
Balance at the end of the year	1,007,526,330	436,869,738
(b) Hedge reserve		
Balance at the beginning of the year	8,297,996	(3,088,447)
Movement during the year	19,067,816	11,386,443
Balance at the end of the year	27,365,812	8,297,996
(c) Foreign currency translation reserve	83,529,206	104,339,995
(d) Surplus in the Statement of Profit and Loss		
Balance at the beginning of the year	891,343,970	605,544,328
Add: Transferred pursuant to the Scheme [refer note 27 (d)]	(9,036,428)	-
Add: Transferred consequent to the consolidation of subsidiaries of erstwhile IAT [refer note 27 (f) (ii)]	(6,338,754)	-
Add: Net profit for the year	131,414,199	285,799,642
Balance at the end of the year	1,007,382,987	891,343,970
(e) Capital reserve		
Reserve created pursuant to the Scheme [refer note 27 (d)]	422,797,475	-
Reserve created pursuant to of consolidation of subsidiaries of erstwhile IAT [refer note 27 (f) (ii)]	147,033,138	-
Balance at the end of the year	569,830,613	-
(f) General reserve pursuant the Scheme (refer note 27)	339,173	-
Total	2,695,974,121	1,440,851,699

5. MINORITY INTEREST

	As at 31 March 2017	As at 31 March 2016
(Amount in ₹)		
Balance at the beginning of the year	25,736,262	21,662,253
Add: Profit for the year	4,326,602	4,074,009
Balance at the end of the year	30,062,864	25,736,262

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2017 (Cont'd)

6. BORROWINGS

	As at 31 March 2017		As at 31 March 2016	
	Long-term	Short-term	Long-term	Short-term
Secured				
Buyer's credit	-	34,126,330	-	9,498,914
Working capital loans	-	457,508,150	-	263,770,689
		491,634,480	-	273,269,603
Unsecured				
Intercorporate deposit from Holding Company [refer note 29(v)]	280,770,075	47,990,792	-	-
Total	280,770,075	539,625,272	-	273,269,603

(I) ACETL

(a) Details of security for borrowings

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

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 2016: 3% - 5%) 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. (31 March 2016: 12.75 %).

Buyer's credit bearing an interest rate of 1.39% p.a. has been repaid during the year.

(c) Intercorporate deposit from Holding Company

Intercorporate deposits from Jupiter Capital Private Limited for ₹ 7,300,000 (31 March 2016: ₹ Nil) carrying rate of interest at 12% per annum repayable on 30 May 2019.

(II) AXISCADES, Inc.

Working capital loan facility is secured by tangible / intangible, current and non-current assets of the Company. The working capital loan facility is repayable within one year from the date of availment and carries effective interest of LIBOR plus 2.75% p.a. (31 March 2016: LIBOR plus 2.50% p.a.)

(III) ACAT

Intercorporate deposits from Jupiter Capital Private Limited ₹ 273,470,075 is repayable after a period of one year and ₹ 47,990,792 is repayable within a period of one year carries rate of interest at 12% pa.

Packing credit in foreign currency loan from bank bearing an interest rate of 2% - 6% are repayable over maximum tenure of 6 months from the date of respective availment.

Buyer's credit in foreign currency loan from bank bearing an interest rate of 2% - 6% are repayable over maximum tenure of 12 months from the date of respective availment.

7. OTHER LIABILITIES

	As at 31 March 2017		As at 31 March 2016	
	Long-term	Short-term	Long-term	Short-term
Duties and taxes payable	-	98,873,905	-	107,752,944
Advance from related party [refer note 29(v)]	2,781,812	-	-	-
Dues to holding company [refer note 29(v)]	-	53,484,332	-	-
Advance from customers	-	59,802,391	-	12,179,641
Unearned revenue	-	14,243,009	-	-
Dues to employees	-	117,587,119	-	137,959,923

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2017 (Cont'd)

	As at 31 March 2017		As at 31 March 2016	
	Long-term	Short-term	Long-term	Short-term
Book overdraft	-	8,485,828	-	10,574,274
Creditors for capital goods	-	6,099,276	-	10,793,347
Other payables	2,496,376	-	-	-
	5,278,188	358,575,860	-	279,260,129

8. PROVISIONS

	As at 31 March 2017		As at 31 March 2016	
	Long-term	Short-term	Long-term	Short-term
Provision for employee benefits				
Gratuity [refer note (a) below]	50,880,593	3,794,729	33,788,563	2,058,635
Compensated absences	-	28,532,911	-	18,470,536
	50,880,593	32,327,640	33,788,563	20,529,171
Other provisions				
Provision for tax (net of advance tax)	-	875,144	-	34,120,903
Provision for lease payments	4,340,336	1,833,115	5,539,335	2,451,778
Provision for warranty [refer note (d) below]	-	10,503,672	-	-
	4,340,336	13,211,931	5,539,335	36,572,681
	55,220,929	45,539,571	39,327,898	57,101,852

(a) Gratuity

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

	Year ended 31 March 2017	Year ended 31 March 2016
Changes in the present value of the defined benefit obligation are as follows:		
Defined benefit obligation at the beginning of the year	35,847,198	29,077,733
Transferred consequent to the consolidation of subsidiaries of erstwhile IAT [refer note 27 (f) (ii)]	6,363,537	-
Current service cost	10,140,357	7,633,959
Past service cost	-	-
Interest cost	3,208,395	2,290,762
Benefits paid	(6,310,465)	(4,087,302)
Actuarial loss	5,426,300	932,046
Defined benefit obligation at the end of the year	54,675,322	35,847,198
Components of net gratuity costs are:		
Current service cost	10,140,357	7,633,959
Past service cost	-	-
Interest on defined benefit obligation	3,208,395	2,290,762
Net actuarial gains	5,426,300	932,046
Expenses recognised in the Statement of Profit and Loss for the year	18,775,052	10,856,767

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

Discount rate	6.68% - 7.25%	7.58% - 7.9%
Salary escalation rate	5.2% - 18%	5.6% - 20%
Retirement age	58 - 60 Years	58 - 60 Years

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

	31 March 2013	31 March 2014	31 March 2015	31 March 2016	31 March 2017
Experience adjustments	(583,563)	498,600	(361,852)	15,670	2,271,548
Net liability recognised in the Balance Sheet	14,487,115	22,365,738	29,077,733	35,847,198	54,675,322

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2017 (Cont'd)

(b) Defined contribution plan

The Company makes a 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 2017 is ₹ 42,282,679 (31 March 2016: ₹ 34,109,454).

(c) Overseas social security

The Company makes a contribution towards social security charges for its employees located at the branch office and subsidiaries in respective foreign geographies, that are defined contribution plans. 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 2017 is ₹ 143,791,903 (31 March 2016: ₹ 139,671,255).

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

(d) The movement in the provision for warranty is as follows:

	Year ended 31 March 2017	Year ended 31 March 2016
Balance at the beginning of year	-	-
Transferred consequent to the consolidation of subsidiaries of erstwhile IAT (refer note 27(f) (ii))	62,001,455	-
Provision created during the year	7,886,971	-
Provision utilised	(22,767,750)	-
Provision reversed (included in note 19)	(36,617,004)	-
Balance at the end of year	10,503,672	-

9. TRADE PAYABLES

	Year ended 31 March 2017	Year ended 31 March 2016
Total outstanding dues of micro enterprises and small enterprises [refer note (a) below]	-	-
Dues to others	275,134,759	182,696,448
	275,134,759	182,696,448

- (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, if any, as at 31 March 2017 has been made in the financial statements based on information received and available with the Group. 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.

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2017 (Cont'd)

	Free hold land *	Computers	Furniture and fixtures	Office equipment	Plant & Machinery	Electrical installations	Vehicles	Office building	Leasehold improvements	Total
Gross block										(Amount in ₹)
Balance as at 1 April 2015	2,264,437	140,278,375	26,666,518	61,232,169	-	2,059,794	4,833,912	16,581,724	11,841,644	265,758,573
Additions	-	46,928,546	1,068,058	2,616,119	-	-	5,266,311	-	-	55,879,034
Deletions	-	-	-	(255,375)	-	-	-	-	-	(255,375)
Other adjustments [refer note (a) below]	-	1,423,753	280,837	1,750,269	-	-	-	-	155,263	3,610,122
Balance as at 31 March 2016	2,264,437	188,630,674	28,015,413	65,343,182	-	2,059,794	10,100,223	16,581,724	11,996,907	324,992,354
Transferred consequent to the consolidation of subsidiaries of erstwhile IAT [refer note (b) below and note 27 (f) (ii)]	180,899,229	14,526,660	10,644,328	9,524,477	11,041,482	1,745,259	5,009,577	300,926,873	-	534,317,885
Additions	29,462,580	45,158,421	2,393,438	2,254,421	297,289	-	2,152,634	4,062,038	-	85,780,801
Deletions	-	(12,122,466)	-	(746,056)	-	-	(1,756,330)	-	-	(14,624,852)
Other adjustments [refer note (a) below]	-	(2,002,569)	(471,709)	(802,961)	-	-	-	-	(108,861)	(3,386,100)
Balance as at 31 March 2017	212,626,246	234,190,720	40,581,470	75,573,063	11,338,751	3,805,053	15,506,104	321,570,635	11,888,046	927,080,088
Accumulated depreciation										
Balance as at 1 April 2015	-	119,643,140	18,424,371	48,972,498	-	2,059,794	2,130,699	3,850,488	7,578,619	202,659,609
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 [refer note (a) below]	-	1,087,426	130,505	2,006,208	-	-	-	-	155,258	3,379,397
Balance as at 31 March 2016	-	142,027,132	21,271,883	54,112,976	-	2,059,794	3,323,054	4,121,511	9,078,797	255,995,147
Transferred consequent to the consolidation of subsidiaries of erstwhile IAT [refer note 27 (f) (ii)]	-	9,836,392	5,260,118	4,463,769	5,381,982	736,749	3,398,186	3,698,473	-	32,775,619
Charge for the year	-	35,585,810	4,312,788	4,743,637	1,598,751	249,398	2,388,039	6,000,474	1,341,245	56,220,143
Deletions	-	(12,122,466)	-	(665,816)	-	-	(1,756,330)	-	-	(14,544,612)
Other adjustments [refer note (a) below]	-	(1,866,782)	(369,349)	(801,660)	-	-	-	-	(108,832)	(3,146,624)
Balance as at 31 March 2017	-	173,460,086	30,475,440	61,852,906	6,980,683	3,045,941	7,352,949	13,820,458	10,311,210	307,299,673
Net block										
As 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
As at 31 March 2017	212,626,246	60,730,634	10,106,030	13,720,157	4,358,068	759,112	8,153,155	307,750,177	1,576,836	619,780,416

Note:

* Free hold land represents Industrial plot bearing plot no. 30 situated in Block-D of Sector-03 within New Okhla Industrial Development Authority Area (Noida), Gautam Budh Nagar, Uttar Pradesh, acquired by executing sale cum lease agreement dated 18 January 2000. Such land is duly allotted by New Okhla Industrial Development Authority (Noida Authority). The land shall be transferred in the name of the Company at the end of 78 years from the date of agreement.

(a) Represents adjustments consequent to translation of fixed assets in foreign geographies.

(b) Free hold land transferred pursuant to the Scheme (refer note 27) represents land acquired from Karnataka Industrial Areas Development Board (KIADB) on a lease cum sale basis wherein this land would transfer to the Company after a period of 10 years on the fulfillment of the conditions of the allotment letter. ACAT, the wholly owned subsidiary of ACETL is in the process of following up with the KIADB to execute lease cum sale agreement. This amount has been disclosed as free hold land since KIADB vide letter dated 17 August 2010 has allotted 75 acres of land 'Bengaluru Aerospace Park', for which the Company has paid an advance of ₹ 375,768,788. The Company has possession of 10 acres of land, accordingly ₹ 180,101,172 has been considered as free hold land and balance of ₹ 195,667,616 is treated as capital advance which will be adjusted against the remaining 65 acres consideration commitment. Further, free hold land acquired pursuant to the Scheme includes land situated at Electronic City, Bengaluru amounting to ₹ 798,057.

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2017 (Cont'd)

10B INTANGIBLE ASSETS

(Amount in ₹)

	Non compete fee	Trademark [refer note (b)]	Computer software	Process manuals	Goodwill on amalgamation	Total
Gross block						
Balance as at 1 April 2015	1,971,000	-	382,935,434	183,487,636	16,445,348	584,839,418
Additions	-	-	22,236,419	-	-	22,236,419
Other adjustments [refer note (a) below]	-	-	2,114,844	-	-	2,114,844
Balance as at 31 March 2016	1,971,000	-	407,286,697	183,487,636	16,445,348	609,190,681
Transferred consequent to the consolidation of subsidiaries of erstwhile IAT [refer note 27 (f) (ii)]	-	160,000,000	11,983,184	-	1,000,000	172,983,184
Additions	-	-	85,151,785	65,182,236	-	150,334,021
Deletion	-	-	(54,738,367)	-	-	(54,738,367)
Other adjustments [refer note (a) below]	-	-	(844,502)	-	-	(844,502)
Balance as at 31 March 2017	1,971,000	160,000,000	448,838,797	248,669,872	17,445,348	876,925,017
Accumulated amortisation						
Balance as at 1 April 2015	1,971,000	-	349,113,851	32,441,880	16,445,348	399,972,079
Charge for the year	-	-	22,566,488	49,088,379	-	71,654,867
Other adjustments [refer note (a) below]	-	-	2,081,278	-	-	2,081,278
Balance as at 31 March 2016	1,971,000	-	373,761,617	81,530,259	16,445,348	473,708,224
Transferred consequent to the consolidation of subsidiaries of erstwhile IAT [refer note 27 (f) (ii)]	-	43,835	11,663,235	-	766,667	12,473,737
Charge for the year	-	16,000,000	21,479,801	49,017,651	233,333	86,730,785
Other adjustments [refer note (a) below]	-	-	(844,502)	-	-	(844,502)
Balance as at 31 March 2017	1,971,000	16,043,835	406,060,151	130,547,910	17,445,348	572,068,244
Net Block						
As at 31 March 2016	-	-	33,525,080	101,957,377	-	135,482,457
As at 31 March 2017	-	143,956,165	42,778,646	118,121,962	-	304,856,773

Note:

- (a) Represents adjustments consequent to translation of fixed assets in foreign geographies.
- (b) ACAT, a wholly owned subsidiary of ACETL, has purchased the trademark of "AXISCADES" and associated goodwill attached to the said trademark amounting to ₹ 160,000,000 from Jupiter Capital Private Limited, Holding Company. The total consideration for this was to be paid in 4 equal annual instalments commencing from 31 July 2016 carrying a interest rate of State Bank of India base rate + 200 bps on the average outstanding balance effective July 2016 payable along with the annual instalment. The amount is paid in full during the year.

10C. INTANGIBLE ASSETS UNDER DEVELOPMENT

(Amount in ₹)

	Process manuals	Software	Total
Balance as at 1 April 2015	-	-	-
Additions during the year	-	11,163,459	11,163,459
Balance as at 31 March 2016	-	11,163,459	11,163,459
Additions during the year	52,045,875	2,770,000	54,815,875
Less: Capitalised during the year	(52,045,875)	(13,933,459)	(65,979,334)
Balance as at 31 March 2017	-	-	-

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2017 (Cont'd)

11. INVESTMENTS

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

(Amount in ₹)

	As at 31 March 2017		As at 31 March 2016	
	Long-term	Short-term	Long-term	Short-term
A Trade				
Investments in equity instruments				
Axis Cogent Global Limited	10,913,660	-	10,913,660	-
946,822 (31 March 2016: 946,822) equity shares of ₹ 10 each				
Datum Technology Limited	500,000	-	500,000	-
50,000 (31 March 2016 - 50,000) equity shares of ₹ 10 each				
	11,413,660	-	11,413,660	-
Less: Provision for diminution in the value of long term investments				
Axis Cogent Global Limited and Datum Technology Limited	(11,413,660)	-	(11,413,660)	-
Raaga Axis Aviacom Private Limited	10,000	-	-	-
B Non-trade				
National Savings Certificates	8,500	-	5,000	-
LIC Nomura Liquid Fund	-	3,499,756	-	-
	18,500	3,499,756	5,000	-

12. DEFERRED TAXES

(Amount in ₹)

	As at 31 March 2017	As at 31 March 2016
Deferred tax assets		
Provision for unbilled revenue	3,632,935	3,632,934
Provision for employee benefits	29,588,908	18,869,259
Lease rent equalisation	2,030,482	2,726,217
Expenses disallowed under section 35DD of Income-tax Act, 1961	6,016,866	6,732,898
Provision for doubtful duties and taxes recoverable	-	501,375
Unabsorbed carry forward losses	-	2,100,700
Others	501,767	-
	41,770,958	34,563,383
Deferred tax liabilities		
Depreciation and amortisation	13,331,179	7,341,090
	13,331,179	7,341,090
Deferred tax assets, net	28,439,779	27,222,293

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 2017 (Cont'd)

13. LOANS AND ADVANCES

(Unsecured, considered good)

(Amount in ₹)

	As at 31 March 2017		As at 31 March 2016	
	Long-term	Short-term	Long-term	Short-term
Security deposit	88,614,310	1,175,311	51,947,971	5,341,568
	88,614,310	1,175,311	51,947,971	5,341,568
Loans and advances to related parties*				
Fellow subsidiary [refer note (iii) below]	19,500,000	-	137,500,000	24,000,000
	19,500,000	-	137,500,000	24,000,000
Other loans and advances*				
Advance income tax (net of provision for tax)	123,828,312	-	58,750,037	-
MAT credit	26,795,735	-	-	-
Capital advances [refer note 10 A (b)]	195,657,616	-	-	-
Duties and taxes recoverable	1,221,059	83,710,835	500,454	21,930,375
Prepaid expenses	2,681,593	49,260,062	4,909,483	35,792,832
Advances to employees	-	18,363,390	-	7,159,842
Advance to suppliers	-	50,993,488	-	465,162
Other advances	-	2,767,192	-	3,988,936
	350,184,316	205,094,967	64,159,974	69,337,147
(Unsecured, considered doubtful)				
Duties and taxes recoverable	-	-	-	1,448,725
Other advances	17,838,000	-	-	-
Less: Allowances for doubtful duties and taxes recoverable	-	-	-	(1,448,725)
Less: Allowances for doubtful advances	(17,838,000)	-	-	-
	-	-	-	-
	458,298,625	206,270,278	253,607,945	98,678,715

Note:

- (i) The Board of Directors approved Intercompany Deposits (ICD) of ₹ 150,000,000 to AXISCADES Aerospace & Technologies Private Limited (ACAT), subsidiary of the Company, at an interest rate of the 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 had advanced ₹ 12,500,000 to ACAT during the year ended 31 March 2017 and the entire amount of ICD has been repaid by ACAT during the year.
- (ii) During the previous year the Company's subsidiary CADES Studec Technologies (India) Private Limited has extended an ICD to ACAT, a fellow subsidiary, amounting to ₹ 24,000,000 carrying interest rate of 11% per annum. The arrangement was renewed on 1 November 2016 for a period of three years with a lock-in-period until 31 October 2017. The ICD amount can be called back or repaid at anytime after expiry of lock-in-period by providing a notice of six months. Pursuant to the Scheme (refer note 27) ACAT ceases to be fellow subsidiary of ACETL and is now a wholly owned subsidiary of ACETL.
- (iii) Loans and advance to related parties of ₹ 19,500,000 is acquired pursuant to the Scheme consisting of ICD given by ACAT to Indian Aero Infrastructure Institute Private Limited (IAI), a fellow subsidiary to meet its working capital requirement. The ICD is advanced for a period of 5 years expiring on 12 October 2020 and carries an interest rate of 12% per annum.

*Advances recoverable in cash or kind

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2017 (Cont'd)

14. OTHER ASSETS

(Amount in ₹)

	As at 31 March 2017		As at 31 March 2016	
	Non-current	Current	Non-current	current
Unbilled revenue				
Considered good	74,373,317	375,530,163	-	359,960,173
Doubtful	-	10,497,386	-	10,497,386
	74,373,317	386,027,549		370,457,559
Less: Allowances for doubtful unbilled revenue	-	(10,497,386)	-	(10,497,386)
	74,373,317	375,530,163		359,960,173
Interest accrued on fixed deposits	-	24,199,174	-	2,372,481
Interest accrued and due on ICD [refer note 13 (iii)]	-	2,322,444	-	3,220,959
Receivable from the sale of capital work-in-progress (CWIP) and capital assets	-	111,200,000	-	-
Hedge asset	-	27,365,812	-	8,297,996
Bank deposits with maturity of more than 12 months (refer note 17)	6,400,000	-	-	-
Margin money deposits (refer note 17)	7,289,849	-	15,041,965	-
Other receivables	1,312,325	1,335,564	1,312,325	-
	89,375,491	541,953,157	16,354,290	373,851,609

15. INVENTORIES

(Amount in ₹)

	As at 31 March 2017	As at 31 March 2016
Work in progress	19,530,606	-
	19,530,606	-

16. TRADE RECEIVABLES

(Amount in ₹)

	As at 31 March 2017	As at 31 March 2016
(Unsecured)		
Outstanding for a period exceeding six months from the date they are due for payment		
Considered good	4,500,159	7,904,959
Doubtful	334,522	-
	4,834,681	7,904,959
Less: Provision for doubtful receivables	(334,522)	-
	4,500,159	7,904,959
Considered good	839,776,053	834,380,928
	844,276,212	842,285,887

As at 31 March 2017, trade receivables include a sum of ₹ 2,177,986 (31 March 2016: ₹ 2,370,765) 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.

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2017 (Cont'd)

17. CASH AND BANK BALANCES

(Amount in ₹)

	As at 31 March 2017		As at 31 March 2016	
	Non-current	Current	Non-current	current
Cash and cash equivalents				
Cash on hand	-	195,801	-	296,562
Balances with banks				
- in current accounts	-	369,280,746	-	262,581,280
- in deposit account (with maturity up to 3 months)	-	13,000,000	-	-
	-	382,476,547	-	262,877,842
Other bank balances				
Deposits with maturity more than 3 months but less than 12 months	-	300,358,628	-	44,828,548
Deposits with maturity more than 12 months	6,400,000	-	-	-
Margin money deposits (Refer note (a) below)	7,289,849	36,610,054	15,041,965	27,729,294
	13,689,849	336,968,682	15,041,965	72,557,842
Less: Amounts disclosed as other non-current assets (refer note 14)				
Deposits with maturity more than 12 months	(6,400,000)	-	-	-
Margin money deposits	(7,289,849)	-	(15,041,965)	-
	-	719,445,229	-	335,435,684

(a) Fixed deposits of a carrying amount ₹ 40,998,265 (31 March 2016: ₹ 40,998,265) have been deposited as margin money at 10% against the Packing credit facility loan availed from a bank.

Deposits of a carrying amount ₹ 2,901,638 (31 March 2016: ₹ 1,772,994) have been deposited as bank guarantee towards lien on various authorities and customers.

18. REVENUE FROM OPERATIONS

(Amount in ₹)

	Year ended 31 March 2017	Year ended 31 March 2016
Engineering design services	3,726,235,163	3,753,888,481
Strategic technology solutions		
Sale of goods	853,289,680	-
Service revenue	256,414,796	-
	4,835,939,639	3,753,888,481

19. OTHER INCOME

(Amount in ₹)

	Year ended 31 March 2017	Year ended 31 March 2016
Interest income		
- from fixed deposits	29,619,748	7,816,757
- on intercorporate deposits	2,580,505	3,220,959
- on lease deposits	6,474,988	3,835,417
- on income tax refund	17,476,617	-
- on advance to employees	193,152	-
Profit on sale of fixed assets	5,377,749	-
Net gain on foreign currency transaction and translation	9,239,966	20,705,799

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2017 (Cont'd)

	Year ended 31 March 2017	Year ended 31 March 2016
Provision no longer required, written back	63,818,255	2,267,977
Liabilities no longer required, written back	13,897,275	-
Rental income	1,810,000	-
Dividend income	173,756	191,939
Miscellaneous income	3,640,658	1,144,275
	154,302,669	39,183,123

20. COST OF MATERIALS CONSUMED

	Year ended 31 March 2017	Year ended 31 March 2016
Balance as at 1 April 2016	-	-
Transferred consequent to the consolidation of subsidiaries of erstwhile IAT [refer note 27(f) (ii)]	30,083,920	-
Add: Purchases during the year	659,003,972	-
	689,087,892	-
Less: Closing Inventory	19,530,606	-
	669,557,286	-

21. EMPLOYEE BENEFITS EXPENSE

	Year ended 31 March 2017	Year ended 31 March 2016
Salaries, wages and bonus	2,237,805,954	2,032,438,221
Contribution to provident and other funds	43,537,703	34,626,273
Contribution to overseas social security	143,791,903	139,671,255
Staff welfare expense	69,974,023	57,393,030
Provision for gratuity [refer note 8 (a)]	18,775,052	10,856,767
Provision for compensated absences	7,695,866	5,781,952
	2,521,580,501	2,280,767,498

22. DEPRECIATION AND AMORTISATION EXPENSE

	Year ended 31 March 2017	Year ended 31 March 2016
Depreciation of tangible assets (Also, refer note 10 A)	56,220,143	30,211,516
Amortisation of intangible assets (Also, refer note 10 B)	86,730,785	71,654,867
	142,950,928	101,866,383

23. FINANCE COSTS

	Year ended 31 March 2017	Year ended 31 March 2016
Interest on		
- Loan from bank	20,072,746	9,835,655
- ICD	42,439,359	-
- Trademark liability	9,558,376	-
- Statutory payments	1,354,482	2,639,410
Bank guarantee commission	7,341,703	-

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2017 (Cont'd)

	Year ended 31 March 2017	Year ended 31 March 2016
Commitment fee to Holding Company	30,082,192	-
Other borrowing cost (processing fees)	6,482,492	5,892,725
	117,331,350	18,367,790

24. OTHER EXPENSES

	Year ended 31 March 2017	Year ended 31 March 2016
Rent	157,016,467	108,541,036
Power and fuel	32,621,860	26,003,420
Travelling and conveyance	202,012,457	163,723,614
Repairs and maintenance		
- Building	47,021,035	20,039,992
- Others	9,916,628	7,444,822
Freight outward	2,619,741	-
Service charges	6,532,892	-
Recruitment and training expenses	24,579,033	19,432,806
Communication expenses	43,586,792	33,326,820
Equipment hire charges	8,342,818	14,154,558
Legal and professional charges	106,347,844	65,798,134
Auditor's remuneration (refer note 34)	5,380,923	4,730,243
Printing and stationery	4,098,758	4,349,424
Security charges	9,266,190	4,436,602
Rates and taxes	14,434,819	8,537,256
Other recoverable written off	1,078,927	2,629,496
Project consultancy charges	397,681,579	286,717,301
Software subscription charges	84,873,424	77,195,766
Infrastructure usage charges	-	28,548,619
Directors sitting fees	7,260,000	8,280,000
Sales commission and brokerage	121,289	1,001,341
Marketing and advertising expenses	78,395,894	32,647,024
Insurance expenses	12,388,567	11,454,878
Bank charges	3,933,358	2,197,473
Postage and courier charges	2,139,102	1,933,209
Bad debts written off	168,893	684,096
Corporate social responsibility expenses (refer note 28)	7,850,000	2,484,000
Miscellaneous expenses	1,816,155	2,378,122
	1,271,485,445	938,670,052

25. EXCEPTIONAL ITEMS

	Year ended 31 March 2017	Year ended 31 March 2016
Expenses relating to the Scheme (refer note 27)	4,532,641	5,928,000
Provision for impairment no longer required, written back (refer note (a) below)	(9,766,538)	-
	(5,233,897)	5,928,000

(a) During the year, ACAT, a wholly owned subsidiary, has re-assessed impairment of CWIP previously recorded in the financial statements and has reversed impairment provision to the extent of its estimate of the recoverable amount.

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2017 (Cont'd)

26. EARNINGS PER SHARE (EPS) (BASIC AND DILUTED)

	Year ended 31 March 2017	Year ended 31 March 2016
(a) Profit after tax attributable to equity shareholders (₹)	131,414,199	285,799,642
(b) Weighted average number of shares outstanding [refer note (i) below]	37,759,530	27,189,593
(c) Nominal value of shares (₹)	5.00	5.00
(d) Basic EPS (₹)	3.48	10.51
(e) Number of equity shares used to compute diluted EPS	37,759,530	27,189,593
(f) Diluted EPS (₹)	3.48	10.51

(Amount in ₹)

- (i) Equity shares issued during the reporting period as part of the consideration for the scheme of amalgamation is included in the computation of weighted average number of shares from the beginning of the reporting period i.e. 1 April 2016, which is also the appointed date. This effect is given to the computation of EPS for the year ended 31 March 2017.

27. SCHEME OF AMALGAMATION (SCHEME)

- (a) The Board of Directors of the Company at its meeting held on 14 August 2015, had approved the acquisition of AXISCADES Aerospace & Technologies Private Limited ("ACAT"), an aerospace, defence and homeland security technologies company by way of a Scheme of Amalgamation of India Aviation Training Institute Private Limited ("IAT") with ACETL. ACAT is a 100% subsidiary of IAT. The appointed date of the Scheme was 1 April 2016 and was subject to the approval of the majority of the shareholders and creditors of ACETL and IAT, the Hon'ble High Court and the permission and approval of any other statutory or regulatory authorities, as applicable.
- (b) Consequent to the approval of Amalgamation u/s 391 to 394 of the Companies Act, 1956 for the amalgamation of IAT with the Company by the Hon'ble High Court of Karnataka on 4 November 2016, and effected on 5 December 2016 (effective date), being the date of filing with the Registrar of Companies. All the assets, liabilities and reserves of IAT were transferred to and vested in the Company with effect from 1 April 2016, the appointed date. These financial statements accordingly have been given effect of the Scheme of Amalgamation.
- (c) Pursuant to the Scheme, the shareholders of IAT are eligible to receive 10 equity shares of the Company of par value of ₹ 5 each fully paid up for every 45 equity shares held in IAT of par value of ₹ 10 each fully paid up ('Swap ratio'), with record date being 20 December 2016 as fixed by the Board of Directors of the Company. The Board of Directors of the Company at its meeting held on 30 December 2016, in terms of the said Scheme of Amalgamation has issued and allotted 10,569,937 new equity shares of the Company to the shareholders of IAT.
- (d) In accordance with Part B of the Scheme, all the assets and liabilities of IAT were transferred to the Company with effect from the appointed date at the respective book values in the financial statements of IAT. In accordance with the Pooling of Interests Method outlined in AS-14 "Accounting for Amalgamations" prescribed by the Companies (Accounting Standard) Rules, 2006, the surplus of the net assets acquired over the consideration issued has been credited to Capital Reserve determined as follows:

	IAT As at 1 April 2016
NON-CURRENT ASSETS	
Non-current investments	1,046,203,760
CURRENT ASSETS	
Cash and bank balance	77,960
TOTAL	A 1,046,281,720
RESERVE AND SURPLUS	
Securities Premium	570,656,592
Deficit in Profit and Loss account	(9,036,428)

(Amount in ₹)

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2017 (Cont'd)

		(Amount in ₹)
		IAT
		As at 1 April 2016
NON-CURRENT LIABILITIES		
Long-term borrowings		5,700,000
Other long-term liabilities		2,781,812
CURRENT LIABILITIES		
Trade payables		43,799
Other current liabilities		488,785
TOTAL	B	570,634,560
Net value of assets transferred pursuant to Scheme	C = A-B	475,647,160
Equity shares issued by ACETL to IAT (10,569,937 equity shares of ₹ 5 each, fully paid up)	D	52,849,685
Surplus credited to Capital reserve	E = C-D	422,797,475

- (e) Consequent to the above, these financial statements include the results of operations of erstwhile IAT w.e.f. 1 April 2016, as summarised below:

		(Amount in ₹)
		Year ended
		31 March 2017
Revenue	A	-
Expenses	B	2,235,796
Loss before tax	C=A-B	(2,235,796)
Current tax	D	-
Loss after tax	E=C-D	(2,235,796)

- (f) Consequent to the above, these financial statements include the results of operations and state of affairs consequent to the consolidation of subsidiaries of erstwhile IAT w.e.f. 1 April 2016, as summarised below:

		(Amount in ₹)
		Year ended
		31 March 2017
(i) Results of operations		
Revenue from operations		1,109,704,476
Other income		91,339,198
	A	1,201,043,674
Total expenses	B	1,084,573,302
Profit before tax	C=A-B	116,470,372
Current tax	D	45,706,294
Net profit for the year	E=C-D	70,764,078

		(Amount in ₹)
		As at
		1 April 2016
(ii) State of affairs		
Total non-current assets		1,615,857,112
Total current assets		891,643,540
TOTAL		2,507,500,652
Total non-current liability		475,507,774
Total current liability		1,251,405,476
TOTAL		1,726,913,250

- (g) Consequent to the above, ACAT has become wholly owned subsidiary of the Company and ceases to be a fellow subsidiary of the Company. On account of which AAIPL and Enertec, subsidiaries of ACAT, have become step-down subsidiaries of the Company.

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2017 (Cont'd)

- (h) Consequent to the above, the figures for the year ended 31 March 2017 are not comparable with the corresponding figures for the year ended 31 March 2016.

28. 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 Group during the year ended 31 March 2017 amounts to ₹ 7,814,632. The Company has paid ₹ 7,850,000 (31 March 2016: ₹ 2,484,000) to non-government organizations engaged in the field of i) development of skills of under-privileged children, enabling them to overcome adversity and flourish in a fast changing world and ii) promoting education and cultural/ vocational activities, rural & slum area development and ensuring environmental sustainability.

29 RELATED PARTY DISCLOSURES

Nature of relationship	Name of party
<i>i. Parties where control exists:</i>	
Holding Company	Jupiter Capital Private Limited (JCPL)
<i>ii. Subsidiary companies/ Fellow subsidiaries:</i>	Indian Aero Ventures Private Limited Indian Aero Infrastructure Private Limited Niramaya Retreats Kovalam Private Limited AXISCADES Aerospace & Technologies Private Limited [refer note 27(g)] Hindusthan Infrastructure Projects and Engineering Private Limited
<i>iii. Key Managerial Personnel:</i>	
Vice Chairman and Executive Director	Mr. Sudhakar Gande
Chief Executive Officer and Director	Mr. Valmeekathan S. (resigned as Chief Executive Officer w.e.f. 8 January 2017)
Chief Financial Officer	Mr. Kaushik Sarkar
<i>iv. Transactions with related parties:</i>	

Nature of transaction	Relationship	(Amount in ₹)	
		Year ended 31 March 2017	Year ended 31 March 2016
Intercorporate deposits availed from			
Jupiter Capital Private Limited [refer note 27 (h)]	Holding Company	119,100,000	-
Intercorporate deposits repaid to			
Jupiter Capital Private Limited [refer note 27 (h)]	Holding company	35,993,094	-
Hindusthan Infrastructure Projects and Engineering Private Limited [refer note 27 (h)]	Fellow subsidiary	96,000,000	-
Intercorporate deposits extended to			
AXISCADES Aerospace & Technologies Private Limited	Subsidiary [refer note 27 (g)]	-	161,500,000
Intercorporate deposits repaid by			
Indian Aero Infrastructure Private Limited [refer note 27 (h)]	Fellow subsidiary	6,500,000	-
Interest income on intercorporate deposit			
AXISCADES Aerospace & Technologies Private Limited	Subsidiary [refer note 27 (g)]	-	4,176,663
Capital expenditure reimbursed			
Jupiter Capital Private Limited	Holding company	-	113,178
Travel expenses reimbursed to			
AXISCADES Aerospace & Technologies Private Limited	Subsidiary [refer note 27 (g)]	-	2,483,135
Investments sold			
Indian Aero Ventures Private Limited [refer note 27 (h)]	Fellow subsidiary	569,752,844	-

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2017 (Cont'd)

iv. Transactions with related parties (contd....)

Nature of transaction	Relationship	(Amount in ₹)	
		Year ended 31 March 2017	Year ended 31 March 2016
Interest Income			
Indian Aero Infrastructure Private Limited [refer note 27 (h)]	Fellow subsidiary	2,580,493	-
Interest expense			
Jupiter Capital Private Limited [refer note 27 (h)]	Holding company	43,318,282	-
Hindhusthan Infrastructure Projects and Engineering Private Limited [refer note 27 (h)]	Fellow subsidiary	8,679,452	-
Service Charges			
Jupiter Capital Private Limited [refer note 27 (h)]	Holding company	6,532,892	-
Commitment fee			
Jupiter Capital Private Limited [refer note 27 (h)]	Holding company	31,806,431	-
Marketing and advertising expenses			
Niramaya Retreats Kovalam Private Limited [refer note 27 (h)]	Fellow subsidiary	8,694,084	-
Remuneration [refer note (a) below]			
Mr. Sudhakar Gande	Key managerial personnel	32,025,448	15,612,903
Mr. Valmeekanathan S.	Key managerial personnel	6,319,350	13,380,000
Mr. Kaushik Sarkar	Key managerial personnel	8,234,009	8,694,624
Cross charge of expenses:			
- Salary Reimbursement			
Indian Aero Ventures Private Limited [refer note 27 (h)]	Fellow subsidiary	425,062	-
- Communication expenses			
Jupiter Capital Private Limited [refer note 27 (h)]	Holding company	59,994	-
- Other expenses			
Indian Aero Infrastructure Private Limited [refer note 27 (h)]	Fellow subsidiary	324,325	-

(a) As the future liability for gratuity is provided on an actuarial basis for the company as a whole, the amount pertaining to individual is not ascertainable and therefore not included above.

v. Balances as at the year end:

Nature of transaction	Relationship	(Amount in ₹)	
		Year ended 31 March 2017	Year ended 31 March 2016
Intercompany deposit receivable			
AXISCADES Aerospace & Technologies Private Limited	Subsidiary [refer note 27 (g)]	-	161,500,000
Interest receivable			
AXISCADES Aerospace & Technologies Private Limited	Subsidiary [refer note 27 (g)]	-	3,220,959
Indian Aero Infrastructure Private Limited [refer note 27 (h)]	Fellow subsidiary	2,322,444	-
Remuneration payable [refer note (iv) (a) above]			
Mr. Sudhakar Gande	Key management personnel	8,312,035	6,400,000
Mr. Valmeekanathan S.	Key management personnel	-	3,840,000
Mr. Kaushik Sarkar	Key management personnel	999,909	2,037,600

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2017 (Cont'd)

v. Balances as at the year end:

Nature of transaction	Relationship	(Amount in ₹)	
		Year ended 31 March 2017	Year ended 31 March 2016
Intercorporate deposit payable			
Jupiter Capital Private Limited [refer note 27 (h)]	Holding company	328,760,867	-
Other payables			
Indian Aero Ventures Private Limited [refer note 27 (h)]	Fellow subsidiary	2,781,812	-
Expenses payable			
Jupiter Capital Private Limited [refer note 27 (h)]	Holding company	53,484,332	-
Niramaya Retreats Kovalam Private Limited [refer note 27 (h)]	Fellow subsidiary	7,824,676	-
Intercorporate deposits receivable			
Indian Aero Infrastructure Private Limited [refer note 27 (h)]	Fellow subsidiary	19,500,000	-
Other Current liabilities			
Indian Aero Infrastructure Private Limited [refer note 27 (h)]	Fellow subsidiary	324,325	-

30 DISCLOSURES IN RESPECT OF NON-CANCELLABLE OPERATING LEASES

The lease expenses for cancellable and non-cancellable operating leases during the year ended 31 March 2017 was ₹ 157,016,467 (31 March 2016: ₹ 108,541,036)

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

Payments falling due:

	(Amount in ₹)	
	As At 31 March 2017	As At 31 March 2016
Not later than one year	24,754,964	25,674,975
Later than one year but not later than 5 years	9,198,692	25,630,898
	33,953,656	51,305,873

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 24 to the financial statements.

31. PARTICULARS RELATING TO FOREIGN EXCHANGE

	(Amount in ₹)	
	Year ended 31 March 2017	Year ended 31 March 2016
Earnings in foreign exchange		
Revenue from engineering design services	2,084,253,188	2,004,932,630
Sale of goods and services from Strategic technology solutions	533,800,504	-
	2,618,053,692	2,004,932,630
Expenditure in foreign currency		
Bank charges	1,497,713	1,373,101
Software subscription charges	23,658,578	23,282,504
Project consultancy charges	168,541,946	134,521,744
Sale commission	121,289	1,001,341
Employee benefits expense	563,039,806	480,908,465
Travelling and conveyance	82,759,382	81,171,932
Communication expenses	13,551,031	12,780,542

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2017 (Cont'd)

	Year ended 31 March 2017	Year ended 31 March 2016
Rent	8,579,118	5,990,369
Legal and professional charges	16,923,072	12,271,390
Repairs and maintenance	2,386,836	3,530,856
Rates and taxes	4,267,466	3,304,365
Infrastructure usage charges	-	28,548,619
Cost of materials consumed	124,463,123	-
Other expenses	10,138,282	1,600,243
	1,019,927,642	790,285,471
Value of imports on CIF Basis		
Capital goods	3,837,475	26,898,944
	3,837,475	26,898,944

32. SEGMENT REPORTING

Previously, the Group had only one business segment, "Engineering Design Services", hence the primary reporting segment was based on the geographical location of the customers. Pursuant to the Scheme consequent to the consolidation of subsidiaries of erstwhile IAT (refer note 27), the Group now has two business segments, "Engineering Design Services" and "Strategic Technology Solutions" which are the primary reporting segments of the Company. Accordingly for the year ended 31 March 2017, the Company has presented its segmental results based on these business segments as against geographical segments during 31 March 2016.

1. Primary segment information

	Year ended 31 March 2017	Year ended 31 March 2016
Segment revenue		
(a) Engineering design services	3,726,235,163	3,753,888,481
(b) Strategic technology solutions	1,109,704,476	-
Total segment revenue	4,835,939,639	3,753,888,481
Segment results		
(Profit before tax and interest from each segment)		
(a) Engineering design services	124,395,629	432,584,548
(b) Strategic technology solutions	119,999,816	-
Total segment results	244,395,445	432,584,548
Less: (i) Interest expenses	117,331,350	18,367,790
(ii) Exceptional items	(5,233,897)	5,928,000
(iii) Other unallocable expenditure	4,790,000	-
Add: Other income	145,062,703	39,183,123
Total profit before tax	272,570,695	447,471,881

	As at 31 March 2017	As at 31 March 2016
Segment assets		
(a) Engineering design services	1,858,382,384	2,097,107,216
(b) Strategic technology solutions	2,003,654,115	-
(c) Unallocable assets	613,096,090	337,237,940
Total segment assets	4,475,132,589	2,434,345,156

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2017 (Cont'd)

	As at 31 March 2017	As at 31 March 2016
(Amount in ₹)		
Segment liabilities		
(a) Engineering design services	441,332,144	524,265,424
(b) Strategic technology solutions	294,747,645	-
(c) Unallocable Liabilities	824,064,865	307,390,506
Total segment liabilities	1,560,144,654	831,655,930

	Year ended 31 March 2017	Year ended 31 March 2016
(Amount in ₹)		
Capital expenditure (including CWIP)		
(a) Engineering design services	110,374,215	89,278,921
(b) Strategic technology solutions	97,395,176	-
Total capital expenditure	207,769,390	89,278,921
Depreciation and amortisation expense		
(a) Engineering design services	106,721,282	101,866,383
(b) Strategic technology solutions	36,229,646	-
Total depreciation and amortisation expense	142,950,928	101,866,383

2. Secondary segment information

	Year ended 31 March 2017	Year ended 31 March 2016
(Amount in ₹)		
Revenues *		
Europe	2,045,371,310	1,897,995,571
Americas	1,392,032,109	1,310,710,234
Asia pacific	1,398,536,220	545,182,676
	4,835,939,639	3,753,888,481

* Revenues by geographical area are based on the geographical location of the customer.

Capital assets of the Group are used interchangeably amongst geographical segments and have not been identified to any of the geographical segments. The Company believes that it is currently not practicable to provide secondary segment disclosures relating to total assets and capital expenditure.

33. COMMITMENTS AND CONTINGENCIES

Particulars	As at 31 March 2017	As at 31 March 2016
(Amount in ₹)		
ACETL Capital commitments	-	5,332,532
ACAT has issued Bank Guarantees to Government Departments & others towards financial and performance guarantees and earnest money deposit as part of bidding process	129,649,515	-
ACAT has given corporate guarantee to Yes Bank Limited for the facility availed by the Company	350,000,000	-
AAIPL has given guarantee to Government of Karnataka for land acquired from Karnataka Industrial Areas Development Board (KIADB) [refer note 10 A (b)]	150,000,000	-
Enertec has given equitable mortgage of it's property situated at 14-15, I Phase, Electronic City, Bengaluru to Yes Bank Limited towards credit facility availed by ACAT	1,881,430	-

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2017 (Cont'd)

34. AUDITOR'S REMUNERATION *

Particulars	(Amount in ₹)	
	Year Ended 31 March 2017	Year Ended 31 March 2016
Statutory audit fees	4,637,986	4,120,072
Tax audit fees	300,000	300,000
Other fees	140,000	140,000
Out of pocket expenses	302,937	170,171
	5,380,923	4,730,243

* Excluding service tax

35. TRANSFER PRICING

The Finance Act, 2001 has introduced, with effect from Assessment Year 2002-03 (effective 1 April 2001), detailed Transfer Pricing regulations for computing the taxable income and expenditure from 'international transactions' between 'associated enterprises' on an 'arm's length' basis. These regulations, inter alia, also require the maintenance of prescribed documents and information including furnishing a report from an Accountant within due date of filing the Return of Income. The Company is in the process of updating the Transfer Pricing documentation for the financial year ended 31 March 2017 following a detailed transfer pricing study conducted for the financial year ended 31 March 2016. 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.

36. DISCLOSURE OF ADDITIONAL INFORMATION PURSUANT TO SCHEDULE III OF THE COMPANIES ACT, 2013

Name of the entity	(Amount in ₹)			
	Net Assets as at 31 March 2017		Share in profit or loss for the year ended 31 March 2017	
	As % of Consolidated net assets	Amount	As % of Consolidated profit or loss	Amount
A. Parent				
AXISCADES Engineering Technologies Limited	80.96%	2,335,646,794	97.54%	128,187,616
B. Subsidiaries				
i. Indian				
Cades Studec Technologies (India) Private Limited	4.51%	130,154,983	13.72%	18,027,507
AXISCADES Aerospace & Technologies Private Limited	48.86%	1,409,498,070	22.27%	29,259,804
AXISCADES Aerospace Infrastructure Private Limited	25.25%	728,457,838	(0.63%)	(822,224)
Enertec Controls Limited	9.22%	266,121,210	(2.75%)	(3,611,320)
ii. Foreign				
AXISCADES, Inc. (formerly known as Axis, Inc.)	5.53%	159,557,745	(22.73%)	(29,866,024)
AXISCADES UK Limited (formerly known as Axis EU Europe Limited, a step down subsidiary)	0.37%	10,562,242	(31.60%)	(41,532,877)
AXISCADES Technology Canada Inc. (formerly known as Cades Technology Canada Inc.)	5.84%	168,452,431	27.61%	36,281,535
Axis Mechanical Engineering Design (Wuxi) Co., Limited	(0.05%)	(1,346,533)	(0.28%)	(372,875)
AXISCADES GmbH	0.06%	1,733,891	0.00%	2,874
Total		5,208,838,671		135,554,016
C. Adjustments arising out of consolidation	(79.51%)	(2,293,850,736)	0.14%	186,785
D. Minority interest in all subsidiaries				
Indian				
Cades Studec Technologies (India) Private Limited	(1.04%)	(30,062,864)	(3.29%)	(4,326,602)
Total		(30,062,864)		(4,326,602)
Consolidated net assets/ profit after tax	100%	2,884,925,071	100%	131,414,199

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2017 (Cont'd)

37. DERIVATIVE INSTRUMENTS AND UNHEDGED FOREIGN CURRENCY EXPOSURE

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

Included in	Particulars	Currency	31 March 2017			31 March 2016						
			Conversion rate	Total Amount in foreign currency	Hedged	Unhedged Amount in ₹	Conversion rate	Total Amount in foreign currency	Hedged	Unhedged Amount in ₹		
I)	Assets:											
	Trade receivables	USD	64.84	5,471,345	5,471,345	-	-	66.33	6,329,965	6,250,000	79,965	5,304,310
		EURO	69.25	1,676,908	62,000	1,614,908	111,828,493	75.10	861,436	700,000	161,436	12,123,117
	Unbilled revenue	USD	64.84	2,234,306	734,737	1,499,570	97,230,007	66.33	4,188,715	-	4,188,715	277,849,615
		EURO	69.25	2,517,719	-	2,517,719	174,345,988	75.10	74,072	-	74,072	5,562,474
	Cash and cash equivalents	USD	64.84	1,969,414	-	1,969,414	127,694,032	66.33	664,930	-	664,930	44,106,735
		EURO	69.25	504,202	-	504,202	34,914,757	75.10	441,134	-	441,134	33,127,178
		AED	17.66	156,145	-	156,145	2,757,891	18.04	142,961	-	142,961	2,578,802
		DKK	9.35	2,708,208	-	2,708,208	25,325,887	10.17	1,343,928	-	1,343,928	13,668,339
		KRW	0.06	676,668	-	676,668	39,278	0.06	1,442,718	-	1,442,718	83,826
II)	Liabilities:											
	Trade payables	USD	64.84	240,917	-	240,917	15,620,720	66.33	45,701	-	45,701	3,031,479
		EURO	69.25	345,250	-	345,250	23,907,754	75.10	745,838	-	745,838	56,009,105
		DKK	9.35	137,208	-	137,208	1,283,107	10.17	3,125	-	3,125	31,783
	Dues to employees	EURO	69.25	56,776	-	56,776	3,931,567	75.10	373,872	-	373,872	28,076,105
		DKK	9.35	28,801	-	28,801	269,329	10.17	342,539	-	342,539	3,483,772
	Duties and taxes payable	EURO	69.25	569,347	-	569,347	39,425,932	75.10	662,911	-	662,911	49,030,678
		KRW	0.06	5,645,501	-	5,645,501	327,699	0.06	3,707,709	-	3,707,709	215,429
		DKK	9.35	1,047,022	-	1,047,022	9,791,256	10.17	945,969	-	945,969	9,620,921
	Creditors for capital goods	EURO	69.25	-	-	-	-	75.10	5,375	-	5,375	403,638
	Working capital loans	USD	64.84	4,226,327	-	4,226,327	274,029,150	66.33	3,382,127	-	3,382,127	224,346,268
		EURO	69.25	2,561,039	-	2,561,039	177,345,804					
III)	Commitments:											
	Capital commitments	EURO	69.25	-	-	-	-	75.10	15,120	-	15,120	1,135,444

38. DETAILS OF SUBSIDIARY COMPANIES

Particulars	AXISCADES UK		AXISCADES, Inc.		Studec	AXISCADES Canada		Axis China		AXISCADES GmbH		ACAT		AAIPL		Enertec
	Country	Functional Currency	Country	Functional Currency		Country	Functional Currency	Country	Functional Currency	Country	Functional Currency	Country	Functional Currency	Country	Functional Currency	
Share capital																
		46,544,326		145,707,053		6,250,000		4,242,358		1,731,190		168,385,120		41,725,330		13,658,690
Reserves and surplus		(35,982,084)		13,850,692		123,904,983		(5,588,891)		2,701		1,241,112,950		686,732,508		252,462,520
Total assets		40,198,181		382,586,254		150,884,725		205,747,455		2,185,454		2,307,072,696		729,386,944		304,924,443
Total liabilities		40,198,181		382,586,254		150,884,725		205,747,455		2,185,454		2,307,072,696		729,386,944		304,924,443
Revenue from operations *		157,544,929		1,087,869,980		170,503,793		301,878,998		1,071,422		1,109,704,476		-		-
Profit/ (loss) before tax *		(39,945,522)		(29,866,024)		27,100,798		49,717,960		2,874		74,595,546		(822,224)		(3,240,768)
Tax expense *		1,587,356		-		9,073,291		13,436,425		-		45,335,742		-		370,552
Profit/ (loss) after tax *		(41,532,877)		(29,866,024)		18,027,507		36,281,535		2,874		29,259,804		(822,224)		(3,611,320)

*Converted using annual average exchange rates.

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2017 (Cont'd)

39. DISCLOSURE ON SPECIFIED BANK NOTES (SBNs)

During the year, the Company had specified bank notes or other denomination note as defined in the MCA notification G.S.R. 308(E) dated 31 March 2017 on the details of Specified Bank Notes (SBN) held and transacted during the period from 8 November 2016 to 30 December 2016, the denomination wise SBNs and other notes as per the notification is given below:

Particulars	SBNs ₹	Other denomination notes ₹	Total ₹
Closing cash in hand as on 8 November 2016	29,000	17,624	46,624
Add: Permitted receipts ¹	13,000	344,913	357,913
Less: Permitted payments	(2,000)	(319,934)	(321,934)
Less: Amount deposited in Banks	(40,000)	-	(40,000)
Closing cash in hand as on 30 December 2016	-	42,603	42,603

For the purposes of this clause, the term 'Specified Bank Notes' shall have the same meaning provided in the notification of the Government of India, in the Ministry of Finance, Department of Economic Affairs number S.O. 3407(E), dated the 8 November 2016.

¹ Permitted receipts of SBNs pertains to the imprest cash advance given earlier to an employee in SBNs.

40. PREVIOUS YEAR FIGURES

Previous year's figures have been regrouped / reclassified wherever necessary, to conform to current year's classification. [Also, refer note 27 (h)]

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

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

30 May 2017
Bengaluru

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

sd/-
Vivek Mansingh
Chairman and Director
DIN: 06903079

sd/-
Kaushik Sarkar
Chief Financial Officer

30 May 2017
Bengaluru

sd/-
Sudhakar Gande
Vice Chairman and Executive Director
DIN: 00987566

sd/-
Shweta Agrawal
Company Secretary
Membership no.: 14148

30 May 2017
Bengaluru

NOTICE

NOTICE is hereby given that the Twenty Seventh (27th) Annual General Meeting (AGM) of the members of **AXISCADES Engineering Technologies Limited** will be held at Sathya Sai Samskruta Sadanam, No. 20, Hosur Road, Bengaluru- 560029, Karnataka, India, on **Thursday, August 24, 2017 at 11:30 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, 2017 including the Audited Balance sheet as on 31st March 2017, 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. Valmeekanathan S., liable to retire by rotation

To appoint a Director in place of Mr. Valmeekanathan S. (DIN No. 05297798), who retires by rotation and being eligible, offers himself for re-appointment.

Item No. 3 - Appointment of Auditors

To appoint the Auditors and to fix their remuneration.

Explanation Section 139 of the Companies Act, 2013 ('the Act') and the rules made thereunder, has mandated rotation of the statutory auditors on completion of two terms of five consecutive years. The incumbent auditors M/s. Walker Chandiook & Co LLP (formerly Walker, Chandiook & Co) Chartered Accountants, (Firm Registration No. 001076N/ N500013) have served the Company for over 10 years before the Act was notified and will be completing the maximum number of transitional period of three years at the ensuing 27th AGM.

The Audit Committee has proposed and the Board has recommended the appointment of M/s. S.R. Batliboi & Associates LLP ('SRBA'), (FRN-101049W/ E300004) Chartered Accountants, as the Statutory Auditors of the Company.

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

"RESOLVED THAT, pursuant to provisions of Section 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 and the rules framed thereunder, M/s. S.R. Batliboi & Associates LLP ('SRBA'), (FRN- 101049W/ E300004) Chartered Accountants, be and is hereby appointed as the Statutory Auditors of the Company on expiry of the term of M/s. Walker Chandiook & Co LLP (formerly Walker, Chandiook & Co) Chartered Accountants, (Firm Registration No. 001076N/ N500013).

FURTHER RESOLVED THAT, M/s. S.R. Batliboi & Associates LLP be and are hereby appointed as the Statutory Auditors of the Company

from the conclusion of this 27th Annual General Meeting for the term of five consecutive years till the conclusion of the 32nd Annual General Meeting (subject to ratification of appointment by members at every Annual General Meeting, as may be required) and that the Board be and is hereby authorized to fix such remuneration as may be determined in consultation with the Auditors, in addition to reimbursement of all out-of-pocket expenses as may be incurred in connection with the audit of accounts of the Company."

SPECIAL BUSINESS

Item No. 4 - Appointment of Director, Mr. Sidhartha Mehra

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

"RESOLVED THAT pursuant to Section 149, 152 and other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014, Mr. Sidhartha Mehra (DIN 07215979), who was appointed as an Additional Director by the Board of Directors effective 26 September 2016 pursuant to the provisions of Section 161 of the Companies Act, 2013 read with Articles of Association of the Company and who holds office up to the date of this Annual General Meeting and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of a Director, be and is hereby appointed as a Director of the Company liable to retire by rotation."

Item No. 5 - Appointment of Mrs. Vimmi M Trehan as an Independent Director

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

"RESOLVED THAT Mrs. Vimmi M Trehan (holding DIN 07141874) who was appointed as Additional Director in the capacity of Non-Executive Independent Director, by the Board of Directors with effect from 11th March 2017, in terms of Section 161 & 149 of the Companies Act, 2013 and other applicable provisions of the Companies Act, 2013 read with Articles of Association of the Company and whose term of office expires at the Annual General Meeting, be and is hereby reappointed as Non-Executive Independent Director of the Company, not subject to retirement by rotation, to hold office for a term of 5 (five) consecutive years with effect from 11th March, 2017 up to 10th March, 2022."

Item No. 6 - Approval for Investments in excess of the limits specified under section 186 of Companies Act, 2013

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

“**RESOLVED** that pursuant to clause (c) of sub section 2 of Section 186 and other applicable provisions, if any, of the Companies Act, 2013 (the Act) (including any statutory modification or re enactment thereof for the time being in force) and the Companies (Meetings of Board and its Powers) Rules, 2014, as amended from time to time, consent of the Company be and is hereby accorded to the Board of Directors (hereinafter referred to as the ‘Board’, which term shall be deemed to include any Committee of the Board constituted to exercise its powers, including the powers conferred by this Resolution) to invest / acquire the securities of any body corporate by way of subscription/ purchase or otherwise, from time to time, in excess of the limits laid down by the Act, provided that the total amount invested / to be invested in securities at any point of time, apart from the loan given/ to be given to any person or other body corporate, guarantee given/to be given or security provided/to be provided in connection with a loan to any person or other body corporate, shall not, at any time, exceed ₹ 200 crores (Rupees Two Hundred Crores).

RESOLVED FURTHER that the Board be and is hereby authorised to take from time to time all decisions and steps necessary, expedient or proper, in respect of the above mentioned investment(s) (collectively ‘transactions’) including the timing, the amount and other terms and conditions of such transactions and also to take all other decisions including varying any of them, through transfer or sale, divestment or otherwise, either in part or in full, as it may, in its absolute discretion, deem appropriate, subject to the specified limits for effecting the aforesaid transaction.”

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

-Sd-
Shweta Agrawal
Company Secretary

Date: 30 May, 2017
Place: Bengaluru

Registered office

Block C, 2nd Floor, Kirloskar Business Park,
Bengaluru-560024.
CIN: L72200KA1990PLC0084435,
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 initialed.
5. Only registered Equity Shareholders, as on August 18, 2017, 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 July 14, 2017.
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 27th 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 27th Annual General Meeting and other attachments will also be available on the Company's website at www.axiscades.com for download by the members. The physical copies of the aforesaid documents will also be available at the Company's Registered Office for inspection during business hours on working days 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 **August 18, 2017, being the cut-off date.**
 - v. A person, whose name is appearing in the register of members or in the register of beneficial owners maintained

by the depositories as on the **cut- off date i. e. August 18, 2017**, shall only be entitled to avail the facility of remote e-voting/ poll.

- vi. Any person who becomes a member of the Company after dispatch of the Notice of the Meeting and holding shares as on the cutoff date may write to Karvy on their e mail ID evoting@karvy.com, or Karvy Computershare Private Limited (Unit: AXISCADES Engineering Technologies Limited) Karvy Selenium Tower B, Plot 31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad – 500 032 or contact Mr. G RAMESH DESAI on phone 040-67162222 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 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. August 24, 2017.

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
Sunday, August, 20, 2017**

**End of remote e-voting: 05:00 p.m. (IST) on
Wednesday, August 23,
2017**

The remote e-voting will not be allowed beyond the aforesaid date and time and the e-voting module shall be disabled by Karvy on expiry of remote e-voting period.

- iii) The procedure for remote e-voting is as under:
- a) Open your web browser during the voting period by typing the URL: <https://evoting.karvy.com>
 - b) Enter the login credentials (i.e. User ID and password mentioned -in the email forwarding the Notice of AGM, or on the Notice of AGM, in case email id is not registered and physical copy of the Annual Report is being received by you). Your Folio No./DP ID Client ID will be your User ID. However, if you hold shares in demat form and you are already registered with Karvy for e-voting, you may use your existing User ID and password for casting your vote.
 - c) After entering these details appropriately, click on "LOGIN".
 - d) You will now reach password change Menu wherein you are required to mandatorily change your password. The new password shall comprise of minimum 8 characters with at least one upper case (A-Z), one lower case (a-z), one numeric (0-9) and a special character (@,#,\$,etc.). The system will prompt you to change your password and update your contact details like mobile number, email ID, etc. on first login. You will also be required to enter a secret question and answer of your choice to enable you to retrieve your password in case you forget it. **It is strongly recommended that you do not share your password with any other person and that you take utmost care to keep your password confidential.**
 - e) You need to login again with the new credentials.
 - f) On successful login, the system will prompt you to select the Event Number for AXISCADES Engineering Technologies Limited, as mentioned in the email forwarding the Notice of AGM along with Annual Report of the company, in case members receiving the documents in electronic form and in the enclosed "Electronic Voting Particulars", in case of a members receiving the documents in physical mode.
 - g) On the voting page you will see the Resolution Description and the options "FOR/AGAINST/ABSTAIN" for voting. Enter the number of shares (which represents the number of votes) as on the cut-off date under "FOR/AGAINST" or alternatively, you may partially enter any number in "FOR" and partially in "AGAINST" but the total number in "FOR/AGAINST" taken together should not exceed your total shareholding as on the cut-off date, as mentioned above. You may also choose the option "ABSTAIN" in case you do not want to cast vote.
 - h) You may then cast your vote by selecting an appropriate option and click on "Submit".
- i) A confirmation box will be displayed. Click "OK" to confirm else "CANCEL" to modify. Once you confirm, you will not be allowed to modify your vote. During the voting period, Members can login any number of times till they have voted on the Resolution(s).
 - j) Members holding multiple folios / demat accounts shall choose the voting process separately for each of the folios / demat accounts.
 - k) Any person who becomes a member of the Company after dispatch of the Notice of the AGM and holding shares as on the cut-off date i.e. August 18, 2017, may obtain the User ID and password in the manner as mentioned below:
 - i) If the mobile number of the member is registered against Folio No. / DP ID Client ID, the member may send SMS : **MYEPWD <space> E-Voting EVEN Number+Folio No. or DP ID Client ID to 9212993399**

Example for NSDL:
MYEPWD <SPACE> IN12345612345678

Example for CDSL :
MYEPWD <SPACE> 1402345612345678

Example for Physical :
MYEPWD <SPACE> XXXX1234567890
 - ii) If e-mail address or mobile number of the member is registered against Folio No. / DP ID Client ID, then on the home page of <https://evoting.karvy.com>, the member may click "Forgot Password" and enter Folio No. or DP ID Client ID and PAN to generate a password.
 - l) Corporate / Institutional Members (i.e. other than Individuals, HUF, NRI, etc.) are also required to send scanned certified true copy (PDF Format) of the relevant Board Resolution/Power of Attorney/ Authority Letter, etc., together with attested specimen signature(s) of the duly authorized representative(s) who are authorized to vote, to the Scrutinizer at e-mail ID: khamankar@gmail.com with a copy marked to evoting@karvy.com. The scanned image of the above mentioned documents should be in the naming format "axiscades _EVSN Number."
 - m) Once the vote on a resolution is cast by a member, the Member shall not be allowed to modify it subsequently.
 - n) 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**

**-Sd-
Shweta Agrawal
Company Secretary**

Date: 30 May, 2017
Place: Bengaluru

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

ITEM NO.4

Mr. Sidhartha Mehra was appointed as an Additional Director of the Company by the Board of Directors effective August 10, 2016, and was re-appointed as the same on September 26, 2016 pursuant to Section 161 of the Companies Act, 2013 on the expiry of his term on September 26, 2016 (on the commencement of AGM).

In terms of the provisions of Section 161 of the Companies Act, 2013, Sidhartha Mehra will hold office up to the date of the ensuing Annual General Meeting. The Company has received a notice in writing from a member along with the deposit of ₹ 1,00,000/- under Section 160 of the Act proposing the candidature of Sidhartha Mehra for the office of Director of the Company.

The Board considers his appointment as a director of the Company will be beneficial and is in the interest of the Company. The Board recommends the resolution for approval of the members.

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 and except Sidhartha Mehra to whom the resolution relates, is in any way concerned or interested, financially or otherwise in the Resolution set out at Item No.4 of the Notice.

ITEM NO. 5

Mrs. Vimmi M Trehan served on the Board of the Company from 30.03.2015 till 7.12.2016 as Independent Director (woman) and stepped down thereafter due to her personal / professional engagements. Considering her professional capabilities, experience and association with the Company and interest shown by her, the Board reappointed her as Independent Director (woman) w.e.f. 11th March 2017 whose term as additional director expires in the ensuing Annual General Meeting under Section 161 & 149 of the Companies

Act, 2013. Due notice under Section 160 of the Companies Act, 2013 has been received from a member along with the deposit of ₹ 1,00,000/- proposing the candidature of Vimmi M Trehan for the office of Director of the Company.

The Board considers her appointment as a director of the Company will be beneficial and is in the interest of the Company. The Board recommends the resolution for approval of the members.

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 and except Vimmi M Trehan to whom the resolution relates, 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

As per Section 186 of the Act read with the Rules framed thereunder, the Company is required to obtain the prior approval of the members by way of a Special Resolution for acquisition by way of subscription, purchase or otherwise, the securities of any other body corporate exceeding 60% of its paid-up share capital, free reserves and securities premium account or 100% of its free reserves and securities premium account, whichever is more.

Keeping in view the Company's business requirements and its growth plans (both organic and inorganic), it is considered desirable to take shareholders' approval for the overall limit of ₹ 200 crores.

The Board recommends the Resolution at Item No.6 of the accompanying Notice for the approval of the members of the Company.

None of the Directors or KMP of the Company or their respective relatives is concerned or interested in the Resolution at Item No.6 of the accompanying 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. VALMEEKANATHAN S.

Valmeekanathan holds BE (Hons) in Mechanical Engineering from BITS Pilani, has wide senior leadership experience in engineering services industry, in Aerospace, Defense and Marine sectors.

Date of Birth: May 02, 1964

Date of Appointment: February 25, 2014

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

Mr. Valmeekanathan S. does not hold Directorship and membership in the Committee of any other listed entity.

Shareholding in the Company:

Mr. Valmeekanathan S. does not hold any equity share of the Company.



MR. SIDHARTHA MEHRA

Sidhartha is a qualified Chartered Accountant with a rank from ICAI and Company Secretary from ICSI. He has wide experience in Financial Planning & Analysis and Business Development. He has also led many transformation initiatives enhancing business parameters like customer level profitability, operational efficiency, resource utilization and channel profitability.

Date of Birth: July 30, 1975

Date of Appointment/Reappointment: September 26, 2016

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

Sidhartha Mehra does not hold the directorship or membership in the Committee of any other listed entity.

Shareholding in the Company: Sidhartha Mehra does not hold any equity share of the Company.



MRS. VIMMI M TREHAN

Mrs. Vimmi M Trehan is an intrepid corporate lawyer with over 20 years of experience in Intellectual Property, Drafting and Conveyancing, Corporate Law, Mergers and Acquisitions, Labour Laws, Commercial Laws, Arbitration, Litigation etc. Over the years, she has built up a formidable repertoire of skills through her deep yet diverse experience over a range of industries that include consumer durables, food, telecom, IT/ITes, healthcare and finance.

Date of Birth: August 22, 1969

Date of Appointment/Reappointment: March 11, 2017

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

Vimmi M Trehan does not hold the directorship or membership in the Committee of any other listed entity.

Shareholding in the Company: Vimmi M Trehan does not hold any equity share of the Company.





AXISCADES

Inspired Solutions. By Design

AXISCADES Engineering Technologies Limited

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

www.axiscades.com