

ANNUAL REPORT-2013-2014

CADES STUDEC TECHNOLOGIES
(INDIA) PRIVATE LIMITED

{Formerly Studec Technologies (India) Private Limited}

NOTICE OF 08TH ANNUAL GENERAL MEETING

Notice is hereby given that the 08th Annual General Meeting of the members of **CADES STUDEC TECHNOLOGIES (INDIA) PRIVATE LIMITED** (Formerly *Studec Technologies (India) Private Limited*) will be held on Monday 25th day of August 2014 at its registered office located at #11, 3rd Cross, Near CBI Office, Ganganagar North, R.T. Nagar Bangalore-560032 at 11:00 A.M. to transact the following business as :

ORDINARY BUSINESS:

1. To receive, consider and adopt the Financial Statements of the Company including Audited Balance Sheet as at 31st March, 2014 and the Profit and Loss Account for the year ended 31st March, 2014 along with the Auditor's Report and Director's Report thereon.
2. To appoint a Director in place of Mr. Kedarnath Choudhury, Director who retires by rotation and being eligible offers himself for re-appointment.
3. **To consider, and if thought fit, to pass with or without modification(s) the following resolution as an Ordinary Resolution:**

"RESOLVED THAT, pursuant to provisions of Section 139 of Companies Act, 2013 read with Companies (Audit and Auditors) Rules, 2014 the retiring auditors Walker Chandiook & Co LLP (formerly *Walker, Chandiook & Co*) Chartered Accountants, (Firm Registration No. 001076N/N500013), be and are hereby appointed as the Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting until the conclusion of the thirteenth Annual General Meeting of the Company, subject to ratification by the Shareholders in every Annual General Meeting, at a remuneration and reimbursement of out of pocket expenses as may be approved by the Board of Directors of the Company."

SPECIAL BUSINESS:

4. To pass, with or without modifications, the following resolution as ordinary resolution:

"RESOLVED THAT Mr. S.Valmeekanathan (holding DIN 05297798) who was appointed as Additional Director & Chairman of the Board, by the Board of Directors with effect from 24th July, 2014, in terms of section 260 of the Companies Act, 1956 (corresponding to Section 161(1) of the Companies Act, 2013) and whose term of office expires at the Annual General Meeting and in respect of whom the company has received a notice in writing proposing his candidature for the office of Director, be and is hereby appointed as a Director & Chairman of the Board, liable to retire by rotation."

By Order of Board of Directors

Date: 24th July 2014
Place: Bangalore

- Sd -

Director

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 and such a proxy need not be a member.
2. Instruments of proxies in order to be valid must be received by the company not less than 48 hours before the commencement of the meeting.

EXPLANATORY STATEMENT

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

ITEM 4:

The Board in its meeting held on 24th July 2014, appointed Mr. S.Valmeekanathan as the Additional Director & Chairman of the Board (nominee of Axis-IT&T Limited, holding company) with effect from 24th July 2014 whose term as additional director expires in the ensuing Annual General Meeting under Section 161 of the Companies Act, 2013. Due notice under Section 160 of the Companies Act, 2013 has been received from Axis-IT&T Ltd., proposing him for the candidature of directorship of the company.

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

Your Directors are of the view that the Company would be immensely benefited by the varied experience and expert guidance of Mr. S. Valmeekanathan and therefore recommend for approval, the Resolution contained in Item No4 of the Notice convening the Annual General Meeting.

None of the Directors are interested in the resolution except for Mr. S. Valmeekanathan.

Date: 24th July 2014
Place: Bangalore

By Order of Board of Directors

-sd-

Director

DIRECTORS' REPORT

Dear Members,

Your Directors have pleasure in presenting the Eighth Annual Report and the Audited Statement of Accounts of the Company for the Financial Year ended 31st March, 2014

FINANCIAL RESULTS:

The Profit and Loss Account presented to you gives the results for the Period ended 31st March, 2014.
(Amount in Rupees Crores)

PARTICULARS	CURRENT YEAR 2013-2014	PREVIOUS YEAR 2012-2013
Total Income	15.65	11.75
Earnings before Interest Depreciation, Amortization and Tax (EBIDTA)	3.38	1.93
Less: Depreciation & Amortisation	0.76	0.41
Interest	0	0
Prior Period Expenses	0.38	0
Profit before Taxation	2.25	1.52
Less: Tax Expenses	0.70	0.55
Profit / (Loss) after Taxation	1.54	0.97

Your Company has shown growth of 33.20% in the Total Income and Profit after Tax of amounted to ₹ 1.54 Crores during the year under review as compared to ₹ 0.97 Crores in the corresponding previous year.

REVIEW OF OPERATIONS:

During the year, the Company has scaled up and continued to invest in training, quality systems and its computing infrastructure so as to be able to continually deliver high quality, cost-effective and timely deliveries to its end customer. During the year, the company undertook several new projects for the new product launches of one the world's leading Aerospace OEMs.

24 employees went to France for proofreading for different projects. CSTI also performs new type of work for trains and helicopters.

Your company has obtained AS-9100 Rev. C Quality certification, thereby ensuring the steady supply of reliable, high quality services to its customers.

Your company also continues to invest in upgradation of its computing infrastructure so as to improve productivity of its employees.

As at the end of the year, the Company had 278 employees as compared to 252 employees in the previous year - a 10% growth YOY

MATERIAL CHANGES OR COMMITMENTS POST BALANCE SHEET DATE:

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

MERGER OF PARENT COMPANY:

During the year, Pursuant to Scheme of Arrangement, Cades Digitech Private Limited Parent Company of your company, stands merged with Axis-IT & T Limited and consequently Cades Studec Technologies (India) Private Limited became subsidiary of Axis-IT & T Limited.

DIVIDEND:

No dividend has been declared as the Company has to invest in the business growth.

RESERVES:

During the year ₹ 6.57 Crores has been received to Securities Premium Account.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE:

The operations of the Company involve low energy consumption. Adequate measures, however, have been taken in the form of improved operational methods to conserve energy. Also your company is involved in the ISO14001 – Environmental Management System and has already taken few actions like adhering to e-waste management and handling rules 2011, batteries (management and handling) rules 201, by managing the AC, by replacing PC's by VPC and recycling the paper. The certification is expected in due course of time.

Since the requirements of the technology business are changing constantly, your Company has sought to focus on critical technologies and processes, which are likely to create value in the foreseeable future.

Foreign Exchange earnings for the year 2013-2014 amounts to ₹ 15.15 crores (previous year ₹ 11.49 crores) and there were no Foreign Exchange Outgo for the same period (including imports and expenditure in foreign currency) (previous year NIL).

PARTICULARS OF EMPLOYEES:

There are no employees drawing remuneration in excess of limits provided under Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975, and the Companies (Particulars of Employees) Amendment Rules, 2011.

DIRECTORS:

Mr. Kedarnath Choudhury, Director of the Company will retire by rotation at the ensuing Annual General Meeting and being eligible offers himself for re-appointment.

AUDITORS:

Walker Chandiook & Co LLP (*formerly Walker, Chandiook & Co*) Bangalore Statutory Auditors of the Company retire at the ensuing Annual General Meeting and are eligible for re-appointment.

DIRECTORS RESPONSIBILITY STATEMENT AS REQUIRED UNDER SECTION 217 (2AA) OF THE COMPANIES ACT, 1956:

Pursuant to the requirement under section 217(2AA) of the Companies Act, 1956, with respect to Directors' Responsibility Statement, it is hereby confirmed:

- 1) That in the preparation of the Accounts for the financial year ended 31st March, 2014 the applicable accounting standards have been followed along with proper explanation relating to material departures;
- 2) That the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that were reasonable and prudent so as to give true and fair view of the state of affairs of the Company at the end of the Financial Year and of the Profit or Loss of the Company for the year under review;
- 3) That the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- 4) That the Directors have prepared the Accounts for the financial year ended 31st March, 2014 on 'going concern' basis.

APPRECIATION:

Your Director wish to place on record their appreciation of employees at all levels for their hard work, dedication and commitment. The enthusiasm and unstinting efforts of the employees have enabled the Company to maintain its premium position in the industry.

ACKNOWLEDGEMENTS:

The Board desires to place on record its sincere appreciation for the support and co-operation that the Company received from the suppliers, customers, Bankers, Auditors, Software Technology Parks of India (STPI), Government Semi-Government agencies and regulators across all the operations of the Company including and all others associated with the Company.

For and on behalf of the Board of Directors

Place: Bangalore
Date: 25th April 2014

- Sd -

- Sd -

Director

Director

Standalone Financial Statements and Auditors' Report

Cades Studec Technologies (India) Private Limited

31 March 2014

Walker Chandiook & Co LLP

Walker Chandiook & Co LLP
(Formerly Walker, Chandiook & Co)
"WINGS", First Floor
16/1, Cambridge Road
Ulsoor, Bengaluru 560008
India

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Independent Auditors' Report

To the Members of Cades Studec Technologies (India) Private Limited

Report on the Financial Statements

1. We have audited the accompanying financial statements of Cades Studec Technologies (India) Private Limited, ("the Company"), which comprise the Balance Sheet as at 31 March 2014, the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

2. Management is responsible for the preparation of these financial statements, that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards notified under the Companies Act, 1956 ("the Act") read with the General Circular 15/2013 dated 13 September 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

3. Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.
4. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.



Chartered Accountants

Offices in Bengaluru, Chandigarh, Chennai, Gurgaon, Hyderabad, Kolkata, Mumbai, New Delhi, Noida and Pune

Walker Chandiook & Co LLP is registered with limited liability with identification number AAC-2085 and its registered office at L-41 Connaught Circus, New Delhi, 110001, India

Walker Chandiook & Co LLP

Independent Auditors' Report to the members of Cades Studec Technologies (India) Private Limited (Cont'd)

Opinion

6. In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
- in the case of the Balance Sheet, of the state of affairs of the Company as at 31 March 2014;
 - in the case of Statement of Profit and Loss, of the profit for the year ended on that date; and
 - in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

8. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
9. As required by Section 227(3) of the Act, we report that:
- we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - in our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
 - the financial statements dealt with by this report are in agreement with the books of account;
 - in our opinion, the financial statements comply with the Accounting Standards notified under the Companies Act, 1956 read with the General Circular 15/2013 dated 13 September 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013; and
 - on the basis of written representations received from the directors, as on 31 March 2014 and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2014 from being appointed as a director in terms of clause (g) of sub-section (1) of Section 274 of the Act.

Walker Chandiook & Co LLP

For Walker Chandiook & Co LLP

(formerly Walker, Chandiook & Co)

Chartered Accountants

Firm Registration No.: 001076N

Aasheesh Arjun Singh
per Aasheesh Arjun Singh
Partner
Membership No.: 210422



Bengaluru

25 April 2014

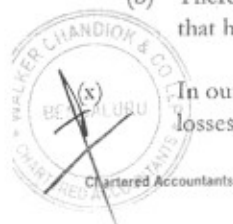
Walker Chandiook & Co LLP

Annexure to the Independent Auditors' Report of even date to the members of Cades Studec Technologies (India) Private Limited, on the financial statements for the year ended 31 March 2014.

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

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) The fixed assets have been physically verified by the management during the year and no material discrepancies were noticed on such verification. In our opinion, the frequency of verification of the fixed assets is reasonable having regard to the size of the Company and the nature of its assets.
- (c) In our opinion, a substantial part of fixed assets has not been disposed off during the year.
- (ii) The Company does not have any tangible inventory. Accordingly, the provisions of clause 4(ii) of the Order are not applicable.
- (iii) (a) The Company has not granted any loan, secured or unsecured to companies, firms or other parties covered in the register maintained under Section 301 of the Act. Accordingly, the provisions of clauses 4(iii)(b) to 4(iii) (d) of the Order are not applicable.
- (e) The Company has not taken any loans, secured or unsecured from companies, firms or other parties covered in the register maintained under Section 301 of the Act. Accordingly, the provisions of clauses 4(iii)(f) and 4(iii)(g) of the Order are not applicable.
- (iv) Owing to the nature of its business, the Company does not maintain any physical inventories or sell any goods. Accordingly, clause 4(iv) of the Order with respect to purchase of inventories and sale of goods is not applicable. In our opinion, there is an adequate internal control system commensurate with the size of the Company and the nature of its business for the purchase of fixed assets and for the sale of services. During the course of our audit, no major weakness has been noticed in the internal control system in respect of these areas.
- (v) The Company has not entered into any contracts or arrangements referred to in Section 301 of the Act. Accordingly, the provisions of clause 4(v) of the Order are not applicable.
- (vi) The Company has not accepted any deposits from the public within the meaning of Sections 58A and 58AA of the Act and the Companies (Acceptance of Deposits) Rules, 1975. Accordingly, the provisions of clause 4(vi) of the Order are not applicable.
- (vii) In our opinion, the Company has an internal audit system commensurate with its size and the nature of its business.
- (viii) To the best of our knowledge and belief, the Central Government has not prescribed maintenance of cost records under clause (d) of sub-section (1) of Section 209 of the Act, in respect of Company's services. Accordingly, the provisions of clause 4(viii) of the Order are not applicable.
- (ix) (a) Undisputed statutory dues including provident fund, investor education and protection fund, employees' state insurance, income-tax, sales-tax, wealth tax, service tax, custom duty, excise duty, cess and other material statutory dues, as applicable, have generally been regularly deposited with the appropriate authorities, though there has been a slight delay in a few cases. Further, no undisputed amounts payable in respect thereof were outstanding at the year-end for a period of more than six months from the date they became payable.
- (b) There are no dues in respect of income-tax, sales-tax, wealth tax, service tax, customs duty, excise duty and cess that have not been deposited with the appropriate authorities on account of any dispute.

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



Walker Chandiok & Co LLP

Annexure to the Independent Auditors' Report of even date to the members of Cades Studec Technologies (India) Private Limited, on the financial statements for the year ended 31 March 2014 (Cont'd).

- (xi) The Company has no dues payable to a financial institution or a bank or debenture-holders during the year. Accordingly, the provisions of clause 4(xi) of the Order are not applicable.
- (xii) The Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities. Accordingly, the provisions of clause 4(xii) of the Order are not applicable.
- (xiii) In our opinion, the Company is not a chit fund or a nidhi/ mutual benefit fund/ society. Accordingly, the provisions of clause 4(xiii) of the Order are not applicable.
- (xiv) In our opinion, the Company is not dealing or trading in shares, securities, debentures and other investments. Accordingly, the provisions of clause 4(xiv) of the Order are not applicable.
- (xv) The Company has not given any guarantees for loans taken by others from banks or financial institutions. Accordingly, the provisions of clause 4(xv) of the Order are not applicable.
- (xvi) The Company did not have any term loans outstanding during the year. Accordingly, the provisions of clause 4(xvi) of the Order are not applicable.
- (xvii) In our opinion, no funds raised on short-term basis have been used for long-term investment by the Company.
- (xviii) During the year, the Company has not made any preferential allotment of shares to parties or companies covered in the register maintained under Section 301 of the Act. Accordingly, the provisions of clause 4(xviii) of the Order are not applicable.
- (xix) The Company has neither issued nor had any outstanding debentures during the year. Accordingly, the provisions of clause 4(xix) of the Order are not applicable.
- (xx) The Company has not raised any money by public issues during the year. Accordingly, the provisions of clause 4(xx) of the Order are not applicable.
- (xxi) No fraud on or by the Company has been noticed or reported during the period covered by our audit.

Walker Chandiok & Co LLP

For Walker Chandiok & Co LLP

(formerly Walker, Chandiok & Co)

Chartered Accountants

Firm Registration No.: 001076N

per Ansheesh Arjun Singh
Partner

Membership No.: 210122



Bengaluru

25 April 2014

Balance Sheet

	NOTE	As at 31 March 2014 ₹	As at 31 March 2013 ₹
EQUITY AND LIABILITIES			
SHAREHOLDERS' FUNDS			
Share capital	3	6,250,000	1,500,000
Reserves and surplus	4	67,519,722	(13,573,595)
		<u>73,769,722</u>	<u>(12,073,595)</u>
NON-CURRENT LIABILITIES			
Deferred tax liability	10	-	966,042
Long-term provisions	5	5,375,593	1,452,138
		<u>5,375,593</u>	<u>2,418,180</u>
CURRENT LIABILITIES			
Trade payables	6	6,649,968	155,000
Other current liabilities	7	4,308,064	49,405,375
Short-term provisions	5	528,102	3,078,868
		<u>11,486,134</u>	<u>52,639,243</u>
TOTAL		<u><u>90,631,449</u></u>	<u><u>42,983,828</u></u>
ASSETS			
NON-CURRENT ASSETS			
Fixed assets			
Tangible assets	8	13,181,798	14,076,506
Intangible assets	9	3,350,477	3,306,644
Capital work-in-progress		1,016,901	-
Deferred tax assets (net)	10	2,467,094	-
Long-term loans and advances	13	8,022,250	7,041,992
		<u>28,038,520</u>	<u>24,425,142</u>
CURRENT ASSETS			
Trade receivables	11	30,781,555	-
Cash and bank balances	12	29,199,701	4,093,097
Short-term loans and advances	13	1,854,222	1,881,410
Other current assets	14	757,451	12,584,179
		<u>62,592,929</u>	<u>18,558,686</u>
TOTAL		<u><u>90,631,449</u></u>	<u><u>42,983,828</u></u>

Notes 1 to 29 form an integral part of these financial statements.

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

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

Arjun Singh
per Aasheesh Arjun Singh
Partner

Bengaluru
25 April 2014



For and on behalf of the Board of Directors

Kedar Nath Choudhury
Kedar Nath Choudhury
Director

Bengaluru
25 April 2014

Philippe Chabalier
Philippe Chabalier
Director

Bengaluru
25 April 2014



Statement of Profit and Loss

	NOTE	Year Ended 31 March 2014 ₹	Year Ended 31 March 2013 ₹
INCOME			
Revenue from operations	15	151,523,097	114,983,490
Other income	16	5,053,397	2,525,943
TOTAL		156,576,494	117,509,433
EXPENSES			
Employee benefits expense	17	89,901,680	67,078,730
Other expenses	18	32,793,069	31,152,876
TOTAL		122,694,749	98,231,606
EARNINGS BEFORE INTEREST, TAX, DEPRECIATION AND AMORTISATION (EBITDA)		33,881,745	19,277,827
Depreciation and amortisation expense	19	7,563,598	4,111,118
PROFIT BEFORE TAX AND PRIOR PERIOD EXPENSES		26,318,147	15,166,709
Less: Prior period expenses (Refer Note 27)		3,868,970	-
PROFIT BEFORE TAX AFTER PRIOR PERIOD EXPENSES		22,449,177	15,166,709
Tax expense			
Current tax		10,471,610	5,254,700
Deferred tax (credit)/expense (Includes deferred tax credit of prior years ₹1,046,153 (31 March 2013 - Nil))		(3,433,136)	206,488
PROFIT FOR THE YEAR		15,410,703	9,705,521
Earnings per equity share:	21		
Basic & diluted (Par value of ₹ 10)		31.22	64.70

Notes 1 to 29 form an integral part of these financial statements.

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

Walker Chandio & Co LLP


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

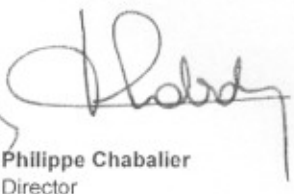

per Aasheesh Arjun Singh
Partner

Bengaluru
25 April 2014



For and on behalf of the Board of Directors


Kedar Nath Choudhury
Director


Philippe Chabalier
Director

Bengaluru
25 April 2014

Bengaluru
25 April 2014



Cash Flow Statement

Year Ended
31 March 2014

₹

A Cash flow from operating activities	
Profit before tax	22,449,177
Adjustment for :	
Depreciation and amortisation	7,563,598
Unrealised foreign exchange loss	254,752
Interest income	(2,299,097)
Operating profit before working capital changes	27,968,430
Movements in working capital	
Increase in trade receivables	(30,813,330)
Increase in loans and advances	(953,069)
Decrease in other current assets	12,124,211
Decrease in current liabilities	(39,055,719)
Increase in provisions	4,326,845
Cash generated from operating activities	(26,402,632)
Direct taxes paid	(13,425,765)
Net cash used in operating activities (A)	(39,828,397)
B Cash flow from investing activities	
Purchase of fixed assets	(7,276,248)
Interest received	1,778,635
Investment in fixed deposits	(283,075,000)
Proceeds from realisation of fixed deposits	257,000,000
Net cash used in investment activities (B)	(31,572,613)
C Cash flow from financing activities	
Receipts from issue of equity shares, including share premium	70,432,614
Net cash from financing activities (C)	70,432,614
Net decrease in cash and cash equivalents (A+B+C)	(968,396)
Cash and cash equivalents as at beginning of the year	4,093,097
Cash and cash equivalents as at end of the year	3,124,701

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

Walker Chandiosk to Ltd

For Walker Chandiosk & Co LLP
(formerly Walker, Chandiosk & Co)

Chartered Accountants

per Aasheesh Arjun Singh
PartnerBengaluru
25 April 2014

For and on behalf of the Board of Directors

Kedar Nath Choudhury

Kedar Nath Choudhury
DirectorBengaluru
25 April 2014

Philippe Chabaliere

Philippe Chabaliere
DirectorBengaluru
25 April 2014

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

1) BACKGROUND

Cades Studec Technologies (India) Private Limited ('Studec'/ the 'Company') was incorporated under the provisions of the Companies Act, 1956 ('the Act') on 20 March 2006 as Studec Technologies(India) Private Limited. The Company operates in the business of Documentation Engineering Services.

On 11 July 2013, Cades Digitech Private Limited (Cades, erstwhile subsidiary of Axis-IT&T Limited) acquired a majority equity interest in Studec Technologies (India) Private Limited. Consequently, the name of the Company was changed to Cades Studec Technologies (India) Private Limited. Subsequently, pursuant to the scheme of arrangement between Cades, Axis-IT&T Limited (Axis) and its shareholders, and on receipt of approval from Hon'ble High Courts filed with Registrar of Companies on 24 March 2014, Cades has been merged into Axis. Due to this merger, the Company has now become a subsidiary of Axis.

2) SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of preparation of financial statements

The financial statements have been prepared and presented under the historical cost convention on the accrual basis of accounting in accordance with the Generally Accepted Accounting Principles in India ('Indian GAAP') and comply with the mandatory Accounting Standards ('AS') prescribed by Companies (Accounting Standard) Rules, 2006, the provisions of the Companies Act, 1956 (to the extent applicable) and the Companies Act, 2013 (to the extent applicable). The accounting policies have been consistently applied by the Company and are consistent with those used in the previous year unless otherwise stated.

(b) Applicability of Accounting Standards

During the current year, the Company does not meet the classification criteria of a Small and Medium Sized Company ('SMC'), as defined in the General Instructions in respect of Accounting Standards ('AS') notified under the Act. Accordingly, the Company has complied with the requirements of all applicable AS during the current year. However, pursuant to exemptions/ relaxations available to an SMC, AS 3 – Cash Flow Statements, AS 17 – Segment Reporting, and certain disclosure requirements of AS 15 – Employee Benefits, AS 19 – Leases and AS 29 – Provisions, Contingent Liabilities and Contingent Assets were not applicable to the Company for the previous year. Therefore, this information with respect to the previous year is not disclosed in these financial statements.

(c) 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 contingent 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 trade receivables, employee benefits, estimation of revenue and project completion. Any revision to accounting estimates are recognised prospectively.

(d) Revenue recognition

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

'Unbilled revenues' represent revenues recognised on services rendered as per contractual terms, for which amounts are to be billed in subsequent periods.

'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.

'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.

(e) Fixed assets and depreciation/amortisation

Fixed assets are carried at the cost less accumulated depreciation/amortisation and impairment losses. The cost of fixed 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 fixed 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.

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

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

Asset category	Estimated useful life (Years)
Computers	3
Furniture and fixtures	7
Office equipments	7
Computer software	3

Depreciation/amortisation is charged on a proportionate basis for all the assets purchased and sold during the year. Fixed assets individually costing less than ₹ 5,000 are fully depreciated in the year of purchase.

Leasehold improvements have been depreciated over lease period including renewable period or useful economic life, whichever is shorter.



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

(f) Leases

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.

Finance leases

Assets acquired on lease where the entity has substantially holds 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.

(g) 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 recognised in 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.

(h) Cash & Cash equivalents

Cash and cash equivalents comprise cash and bank balances (including deposits) with original maturity of three months or less.

(i) Foreign currency transactions

Initial recognition

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

Conversion

Monetary assets and liabilities related to foreign currency transactions remaining unsettled at the end of the year are translated at year-end rates. The difference in translation of monetary assets and liabilities and realised gains and losses on foreign exchange transactions 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.

(j) Employee benefits

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

Provident fund

The Company contributes to the statutory provident fund of the Regional Provident Fund Commissioner, in accordance with Employees Provident Fund and Miscellaneous Provision Act, 1952 for its employees in India. 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 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 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 has a vacation policy by which employee can carry forward the eligible leaves and avail on a future date. Liability in respect of vacation expected to be availed within one year from the Balance Sheet date is recognised on the basis of estimated value of benefit expected to be availed by the employees. Liability in respect of vacation expected to be availed more than one year after the Balance Sheet date is estimated on the basis of actuarial valuation.



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

(k) Income taxes

Current tax

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

Deferred tax

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

(l) Provisions and contingent liabilities

The Company creates a provision when there is a present obligation as a result of a past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of the obligation. A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. 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 preference dividends and attributable taxes) by the weighted average number of equity shares outstanding during the period. Partly paid equity shares are treated as a fraction of an equity share to the extent that they are entitled to participate in dividends relative to a fully paid equity share during the reporting period. The weighted average number of equity shares outstanding during the period is adjusted for events such as bonus issue, bonus element in a rights issue, share split, and reverse share split (consolidation of shares).

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

n) Segment reporting

The accounting policies adopted for segment reporting are in line with those of the Company with the following additional policies for segment reporting:

- a) Revenues and expenses have been identified to segments on the basis of their relationship to the operating activities of the segment.
- b) Revenues and expenses, which relate to the Company as a whole and are not allocable to segments on a reasonable basis, have been included under "Unallocated corporate revenues and expenses".
- c) Assets and liabilities, which relate to the Company as a whole and are not allocable to segments on a reasonable basis, are shown as unallocated corporate assets and liabilities respectively.

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

	As at 31 March 2014		As at 31 March 2013	
	Number	₹	Number	₹
3 SHARE CAPITAL				
Authorised				
Equity shares of ₹ 10 each	625,000	6,250,000	150,000	1,500,000
	<u>625,000</u>	<u>6,250,000</u>	<u>150,000</u>	<u>1,500,000</u>
Issued, subscribed and paid up				
Equity shares of ₹10 each, fully paid up	625,000	6,250,000	150,000	1,500,000
	<u>625,000</u>	<u>6,250,000</u>	<u>150,000</u>	<u>1,500,000</u>

Of the above, 475,000 (31 March 2013 - Nil) Equity Shares of ₹10 each are held by Axis-IT&T Limited, the Holding Company. This includes 500 (31 March 2013 - Nil) shares held by nominees of Axis-IT&T Limited. In the prior year, 150,000 Equity Shares of ₹10 each were held by Studec SAS. (Also refer Note 1 to the financial statements)

a. Reconciliation of the equity share capital

	As at 31 March 2014		As at 31 March 2013	
	Number	₹	Number	₹
Balance at the beginning of the year	150,000	1,500,000	150,000	1,500,000
Add : Issued during the year	475,000	4,750,000	-	-
Balance at the end of the year	<u>625,000</u>	<u>6,250,000</u>	<u>150,000</u>	<u>1,500,000</u>

b. Terms and rights attached to equity shares

The Company has only one class of equity shares having a par value of ₹ 10 per share. Each equity share is entitled to one vote per share.

The Company declares and pays dividends in Indian rupees.

The dividend, if any, proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting. 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 holding company

	As at 31 March 2014		As at 31 March 2013	
	Number	₹	Number	₹
Axis-IT&T Limited (Also refer Note 1 to the financial statements)	474,500	4,745,000	-	-
Studec SAS	-	-	149,999	1,499,990
	<u>474,500</u>	<u>4,745,000</u>	<u>149,999</u>	<u>1,499,990</u>

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

	As at 31 March 2014		As at 31 March 2013	
	Number	₹	Number	₹
(i) Axis-IT&T Limited (Also refer Note 1 to the financial statements)	475,000	4,750,000	-	-
(ii) Studec SAS	150,000	1,500,000	149,999	1,499,990
	<u>625,000</u>	<u>6,250,000</u>	<u>149,999</u>	<u>1,499,990</u>

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



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

	As at 31 March 2014 ₹	As at 31 March 2013 ₹
4 RESERVES AND SURPLUS		
Securities premium account		
Balance at the beginning of the year	-	-
Add : Addition during the year	65,682,614	-
Balance at the end of the year	65,682,614	-
Statement of profit and loss		
Deficit at the beginning of the year	(13,573,595)	(23,279,116)
Add : Net Profit for the year	15,410,703	9,705,521
Balance at the end of the year	1,837,108	(13,573,595)
Total	67,519,722	(13,573,595)

	As at 31 March 2014		As at 31 March 2013	
	Long-term ₹	Short-term ₹	Long-term ₹	Short-term ₹
5 PROVISIONS				
Provision for employee benefits				
Gratuity (Also, refer note (a) below)	3,329,147	265,403	1,452,138	115,467
Compensated absences	2,046,446	159,472	-	-
	5,375,593	424,875	1,452,138	115,467
Other provisions				
Provision of Income-tax	-	103,227	-	2,963,401
	5,375,593	528,102	1,452,138	3,078,868

a) Gratuity

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

	Year Ended 31 March 2014 ₹	Year Ended 31 March 2013 ₹
Changes in the present value of the defined benefit obligation are as follows:		
Defined benefit obligation at the beginning of the year	1,567,605	-
Current service cost	2,034,165	-
Interest cost	141,089	-
Benefits paid	(41,161)	-
Actuarial (gains)/loss	(107,148)	-
Defined benefit obligation at the end of the year	3,594,550	-
Components of net gratuity costs are		
Current service cost	2,034,165	-
Prior year service cost	-	-
Interest on defined benefit obligation	141,089	-
Net actuarial (gains)/loss	(107,148)	-
Expenses recognised in the Statement of profit and loss for the year	2,068,106	-
Amount recognised in the Balance Sheet are as follows		
Present value of unfunded obligations as at the end of the year	3,594,550	-
Net liability recognised in the Balance sheet	3,594,550	-

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

	Year Ended 31 March 2014 ₹	Year Ended 31 March 2013 ₹
Discount rate	9.12%	8.25%
Salary escalation rate	6.0%	6.0%
Retirement age	58 Years	60 Years



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

6 TRADE PAYABLES

	As at 31 March 2014 ₹	As at 31 March 2013 ₹
Dues to micro and small enterprises (Also, refer note (a) below)	-	-
Dues to others	6,649,968	155,000
	<u>6,649,968</u>	<u>155,000</u>

a) The management has identified enterprises which have provided goods and services to the Company and which qualify under the definition of micro and small enterprises, as defined under Micro, Small and Medium Enterprises Development Act, 2006 (MSMEDA). Accordingly, the disclosure in respect of the amounts payable to such enterprises as at 31 March 2014 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.

7 OTHER CURRENT LIABILITIES

	As at 31 March 2014 ₹	As at 31 March 2013 ₹
Duties and taxes payable	1,176,380	710,471
Deposits received	678,308	678,308
Creditors for capital goods	453,376	-
Advances from customer	-	48,016,596
Unearned revenue	2,000,000	-
	<u>4,308,064</u>	<u>49,405,375</u>



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

8 TANGIBLE ASSETS

(Amount in ₹)

	Computers	Furniture and fixtures	Office equipments	Leasehold improvements (Refer note (c) below)	Total
Gross block					
Balance as at 1 April 2012	8,324,842	3,904,794	4,413,851	3,221,092	19,864,579
Additions during the year	907,638	817,613	3,187,431	1,406,011	6,318,693
Balance as at 31 March 2013	9,232,480	4,722,407	7,601,282	4,627,103	26,183,272
Additions during the year	2,941,316	256,245	111,565	684,889	3,994,015
Deletions during the year					
Balance as at 31 March 2014	12,173,796	4,978,652	7,712,847	5,311,992	30,177,287
Accumulated depreciation					
Balance as at 1 April 2012	4,944,010	1,173,632	1,157,862	1,577,723	8,853,227
Charge for the year	1,503,128	571,645	676,922	501,844	3,253,539
Balance as at 31 March 2013	6,447,138	1,745,277	1,834,784	2,079,567	12,106,766
Charge for the year	3,183,082	1,600,726	1,994,783	1,178,668	7,957,259
Adjustment (Also refer note (a) below)	(1,078,715)	(683,728)	(698,365)	(607,728)	(3,068,536)
Balance as at 31 March 2014	8,551,505	2,662,275	3,131,202	2,650,507	16,995,489
Net Block					
Balance as at 31 March 2013	2,785,342	2,977,130	5,766,498	2,547,536	14,076,506
Balance as at 31 March 2014	3,622,291	2,316,377	4,581,645	2,661,485	13,181,798

9 INTANGIBLE ASSETS

(Amount in ₹)

	Computer Software	Total
Gross block		
Balance as at 1 April 2012	3,787,727	3,787,727
Additions during the year	1,543,163	1,543,163
Balance as at 31 March 2013	5,330,890	5,330,890
Additions during the year	2,718,708	2,718,708
Balance as at 31 March 2014	8,049,598	8,049,598
Accumulated amortisation		
Balance as at 1 April 2012	1,166,668	1,166,668
Charge for the year	857,578	857,578
Balance as at 31 March 2013	2,024,246	2,024,246
Charge for the year	3,521,379	3,521,379
Adjustment (Also refer note (a) below)	(846,504)	(846,504)
Balance as at 31 March 2014	4,699,121	4,699,121
Net block		
Balance as at 31 March 2013	3,306,644	3,306,644
Balance as at 31 March 2014	3,350,477	3,350,477

Note:

a) In the current year, the Company has changed with retrospective effect its method of providing depreciation and amortisation on fixed assets, from the written down value (WDV) method at the rates prescribed in Schedule XIV to the Companies Act, 1956 to the straight line (SLM) method at the higher of rates prescribed in Schedule XIV and the management's estimation of the useful lives of such assets. Management considers that the change would result in a more appropriate preparation and presentation of the financial statements of the Company.

The net credit of ₹ 3,068,536 pertaining to tangible assets and ₹ 846,504 pertaining to intangible assets respectively arising out of retrospective re-computation has been recognised in the current year's Statement of Profit and Loss.

b) The Company has also revised the estimated useful life of assets with effect from 1 April 2013 to better represent the economic useful lives of the assets. Had the Company continued to provide for depreciation and amortisation based on the previously estimated useful lives, the depreciation charge for the year would have been lower by ₹ 4,082,811 and amortisation charge for the year would have been lower by ₹ 2,852,557 and the net block of fixed assets would have correspondingly been higher by that amount.

c) Adjustments including reclassifications represent assets that were erroneously classified in the prior year. During the year management has reviewed the classification of such assets and has correctly classified the gross block, accumulated depreciation of such assets.



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

	As at 31 March 2014 ₹	As at 31 March 2013 ₹
10 DEFERRED TAXES		
Deferred tax assets		
Provision for employee benefits	2,203,270	-
Provision for straight lining of rent	863,130	-
	<u>3,066,400</u>	<u>-</u>
Deferred tax liabilities		
Timing difference on depreciation and amortisation	599,306	966,042
	<u>599,306</u>	<u>966,042</u>
Total	<u>599,306</u>	<u>966,042</u>
Deferred taxes assets (net)/ (liabilities)	<u>2,467,094</u>	<u>(966,042)</u>

11 TRADE RECEIVABLES (Unsecured, considered good)		
Outstanding for a period exceeding six months from the date they are due for payment	-	-
Other debts	30,781,555	-
	<u>30,781,555</u>	<u>-</u>

12 CASH AND BANK BALANCES		
Cash and cash equivalents		
Balances with banks in current accounts	3,117,400	4,075,375
Cash on hand	7,301	17,722
	<u>3,124,701</u>	<u>4,093,097</u>
Other bank balances		
Deposits with maturity more than 3 months but less than 12 months	26,075,000	-
	<u>26,075,000</u>	<u>-</u>
	<u>29,199,701</u>	<u>4,093,097</u>

	As at 31 March 2014		As at 31 March 2013	
	Long-term ₹	Short-term ₹	Long-term ₹	Short-term ₹
13 LOANS AND ADVANCES (Unsecured, considered good)				
Security deposit	5,513,278	-	5,491,690	250,000
	<u>5,513,278</u>	<u>-</u>	<u>5,491,690</u>	<u>250,000</u>
Other loans and advances				
Service tax cenvat input credit	2,508,972	301,466	1,550,302	-
Prepaid expenses	-	656,800	-	-
Advances to employees	-	317,507	-	791,625
Supplier advances	-	202,808	-	839,785
Advances recoverable in cash or kind	-	375,641	-	-
	<u>2,508,972</u>	<u>1,854,222</u>	<u>1,550,302</u>	<u>1,631,410</u>
	<u>8,022,250</u>	<u>1,854,222</u>	<u>7,041,992</u>	<u>1,881,410</u>

	As at 31 March 2014 ₹	As at 31 March 2013 ₹
14 OTHER CURRENT ASSETS		
Unbilled revenues	-	12,361,200
Rent receivable	236,989	222,979
Interest accrued	520,462	-
	<u>757,451</u>	<u>12,584,179</u>



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

	Year Ended 31 March 2014 ₹	Year Ended 31 March 2013 ₹
15 REVENUE FROM OPERATIONS		
Documentation engineering services	151,523,097	114,983,490
	<u>151,523,097</u>	<u>114,983,490</u>
16 OTHER INCOME		
Interest income from fixed deposits	2,299,097	-
Rental income	2,719,300	2,525,943
Interest on income-tax refund	35,000	-
	<u>5,053,397</u>	<u>2,525,943</u>
17 EMPLOYEE BENEFITS EXPENSE		
Salaries, wages and bonus	80,612,348	61,809,991
Contribution to gratuity (Also, refer note 5(a))	2,068,106	566,225
Contribution to provident and other funds	4,202,133	3,176,286
Provision for compensated absences	1,492,078	-
Staff welfare expense	1,527,015	1,526,228
	<u>89,901,680</u>	<u>67,078,730</u>
18 OTHER EXPENSES		
Rent (Also, refer note 24)	7,620,272	6,001,680
Power and fuel	2,357,689	1,400,435
Consulting engineers expenses	1,769,839	830,428
Travelling and conveyance	13,090,861	14,135,890
Repairs and maintenance		
-Buildings (leased)	1,390,339	1,905,755
-Others	212,438	293,695
Insurance expenses	22,616	22,615
Rates and taxes	105,541	388,528
Auditor's remuneration (Also, refer note 26)	815,000	90,000
Net loss on foreign currency transactions and translation	368,457	1,429,945
Communication expenses	1,451,923	1,547,242
Equipment hire charges	1,332,203	1,034,374
Recruitment and training expenses	396,910	844,251
Legal and professional charges	993,820	553,007
Printing and stationery	399,881	439,990
Security charges	224,952	194,244
Bank Charges	132,917	33,143
Miscellaneous expenses	107,411	7,654
	<u>32,793,069</u>	<u>31,152,876</u>



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

	Year Ended 31 March 2014 ₹	Year Ended 31 March 2013 ₹
19 DEPRECIATION AND AMORTISATION EXPENSE		
Depreciation of tangible assets (Also, refer note 8 and 9)	4,888,723	3,253,540
Amortisation of intangible assets (Also, refer note 9)	2,674,875	857,578
	<u>7,563,598</u>	<u>4,111,118</u>

20 EMPLOYEE BENEFIT OBLIGATION

a) Defined contribution plan

The Company makes contribution to statutory provident fund as per Employees Provident Fund and Miscellaneous Provision Act, 1952. This is a defined contribution plan as per AS 15. Contribution made during the year ended 31 March 2014 is ₹ 3,607,224 (31 March 2013 - ₹ 2,166,433).

21 EARNINGS PER SHARE (EPS)

a) Profit after tax attributable to equity shares (in ₹)	15,410,703	9,705,521
b) Weighted average number of shares outstanding	493,562	150,000
c) Nominal value of shares (in ₹)	10	10
d) Basic and diluted earning per share (in ₹)	31.22	64.70

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

22 RELATED PARTY DISCLOSURES

i. Parties where control exists :

Nature of relationship

Holding company information

Name of party

The Company is a subsidiary of Axis-IT&T Limited which is a subsidiary of Tayana Digital Private Limited (demerged from Tayana Software Solutions Private Limited) which is a subsidiary of Axis Aerospace & Technologies Limited. ('AATL', formerly known as Jupiter Strategic Technologies Private Limited). AATL, a venture funded by Jupiter Capital Private Limited ('JCPL'), is a subsidiary of JCPL. (Also refer Note 1 to the financial statements).

ii. Name and relationship of related party where transactions have taken place:

Studec SAS (Holding Company until 10 July 2013)

iii. Transactions with related parties :

(Amount in ₹)

	Nature of transaction	Relationship	Year Ended 31 March 2014	Year Ended 31 March 2013
A	Documentation Engineering Services			
	Studec SAS	Holding Company	24,398,270	114,983,490
	Studec SAS	Erstwhile Holding Company	127,124,827	-

iv. Balances as at the year end:

(Amount in ₹)

	Nature of transaction	Relationship	31 March 2014	31 March 2013
A	Advance from customer			
	Studec SAS	Holding Company	-	50,703,255
B	Trade receivables			
	Studec SAS	Erstwhile Holding Company	30,781,555	-
C	Unbilled revenue			
	Studec SAS	Holding Company	-	12,361,200
D	Unearned revenue			
	Studec SAS	Erstwhile Holding Company	2,000,000	-

23 SEGMENT REPORTING

The Company has only one business segment, Documentation Engineering Services and earns the revenue primarily from sources within France. Accordingly, primary and secondary reporting disclosures for business and geographical segment as envisaged in Accounting Standard -17 (Segment reporting) are not applicable to the Company.



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

24 OPERATING LEASES

The lease expenses for cancellable and non-cancellable operating leases during the year ended 31 March 2014 was ₹ 7,620,272 (31 March 2013 - ₹ 6,001,680).

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

Payments falling due:	As at 31 March 2014 ₹
Payable not later than 1 year	7,491,082
Payable later than 1 year not later than five years	31,929,255
Payable later than five years	-
	39,420,337

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 18 to the accounts.

25 PARTICULARS RELATING TO FOREIGN EXCHANGE

	Year Ended 31 March 2014 ₹	Year Ended 31 March 2013 ₹
Earnings in foreign exchange (accrual basis)		
Income from operations	151,523,097	114,983,490
Expenditure in foreign currency	NIL	NIL

26 AUDITOR'S REMUNERATION *

Statutory audit fee	350,000	90,000
Tax audit	50,000	55,000
Other taxation services #	415,000	-
TOTAL	815,000	145,000

* Excluding Service Tax

Payable to predecessor auditors

27 PRIOR PERIOD EXPENSE

Salaries, wages and bonus	645,077	-
Provision for compensated absences	1,123,118	-
Rent expense*	2,100,775	-
	3,868,970	-

* On account of straight lining of rent as per AS 19 - Accounting for Leases.

28 TRANSFER PRICING

The Company is required to use certain specified methods in computing arm's length price of international transactions between the associated enterprises and maintain prescribed information and documents relating to such transactions. The appropriate method to be adopted will depend on the nature of transactions / class of transactions, class of associated persons, functions performed and other factors, which have been prescribed. The Company is in the process of updating the Transfer Pricing documentation for the financial year ending 31 March 2014 following a detailed transfer pricing study conducted for the financial year ended 31 March 2013. In the opinion of the management, the same would not have an impact on these financial statements. Accordingly, these financial statements do not include the effect of the transfer pricing implications, if any.



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

29 PREVIOUS YEAR FIGURES

Previous year figures have been regrouped or reclassified wherever considered necessary to conform to current year classification. The previous year financials statements were audited by another firm of Chartered Accountants.

Walker Chandio & Co LLP

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

[Signature]
per Aasheesh Arjun Singh
Partner

Bengaluru
25 April 2014



For and on behalf of the Board of Directors

[Signature]
Kedar Nath Choudhury
Director

Bengaluru
25 April 2014

[Signature]
Philippe Chabalier
Director

Bengaluru
25 April 2014



CADES STUDEC TECHNOLOGIES (INDIA) PRIVATE LIMITED
NO.11, 3RD CROSS, GANGANAGAR NORTH, NEAR CBI OFFICE, BANGALORE-560032

ATTENDANCE SLIP

NO OF SHARES _____

FOLIO NO/DP ID _____

CLIENT ID _____

PLEASE COMPLETE THIS ATTENDANCE SLIP AND HAND IT OVER AT THE ENTRANCE OF THE MEETING HALL.

I/We hereby record/our presence at the 08th Annual General Meeting held on Monday, 25th August 2014 at the Registered Office of the Company at #11, 3rd Cross, Near CBI Office, Ganganagar North, R.T. Nagar Bangalore-560032 at 11:00A.M.

NAME/s OF THE SHAREHOLDER/s
OR PROXY

SIGNATURE/s OF THE SHAREHOLDER/s
OR PROXY

CADES STUDEC TECHNOLOGIES (INDIA) PRIVATE LIMITED
NO.11, 3RD CROSS, GANGANAGAR NORTH, NEAR CBI OFFICE, BANGALORE-560032

ATTENDANCE SLIP -PROXY

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

CIN: U72900KA2006PTC049241

Name of Member:

Registered Address

E-mail id

Folio No. / Client ID:

DP ID:

I/We being the Member/Members of **STUDEC TECHNOLOGIES (INDIA) PRIVATE LIMITED** holding _____ shares hereby appoint _____ of _____ in the district of _____ e-mail id _____ or failing him _____ of _____ in the district of _____, email id _____ as my/our Proxy to attend and vote for me/us and on my/our behalf at the 08.th Annual General Meeting of the Company, to be held on Monday, 25th August 2014 at 11:00 A.M. at the Registered Office of the Company at No.11, 3rd Cross, Ganganagar North, Near CBI Office, Bangalore-560032 and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution No.

1. _____
2. _____
3. _____
4. _____

Affix
Re 1
Revenue
Stamp

Signature of shareholder: _____

Signature of proxy holder: _____

Signed this _____ day of _____ 2014

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