

**ANNUAL REPORT 2015-2016**

**CADES STUDEC TECHNOLOGIES  
(INDIA) PRIVATE LIMITED**

**{Formerly Studec Technologies (India) Private Limited}**

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# Cades Studec Technologies (India) Private Limited

**Corporate Identity Number:** U72900KA2006PTC049241  
(CIN)

**Board of Directors:** Mr. Kedarnath Choudhury  
Mr. Philippe Chabaliier  
Mr. Valmeekanathan Subramanian  
Mr. Srinivas Anumanchipalli  
Mr. Noel Khouri (Alternate Director)

**Registered Office:** No. 11 3<sup>rd</sup> Cross, Ganganagar North,  
Near CBI Office  
Bangalore-560032, India  
Ph No: 080-3190 6654  
E-mail: [csti@cadesstudec.in.com](mailto:csti@cadesstudec.in.com)  
Web: [www.cadesstudec.co.in](http://www.cadesstudec.co.in)

**Auditors:** Walker Chandiok & Co LLP  
(formerly Walker, Chandiok & Co)  
"WNGS", First Floor  
16/1, Cambridge Road  
Ulsoor, Bengaluru-560008, India

## NOTICE OF 10<sup>TH</sup> ANNUAL GENERAL MEETING

Notice is hereby given that the Tenth Annual General Meeting of the members of **CADES STUDEC TECHNOLOGIES (INDIA) PRIVATE LIMITED (Formerly Studec Technologies (India) Private Limited)**, CIN no. **U72900KA2006PTC049241** will be held on Thursday, 9 June 2016 at Jupiter Innovision Centre, No. 54, Richmond Road, Bengaluru – 560025 at 11:00 A.M. to transact the following business:

### ORDINARY BUSINESS:

1. To receive, consider and adopt the Financial Statements of the Company comprising of audited Balance Sheet as at 31<sup>st</sup> March, 2016 and the Statement of Profit and Loss, Cash Flow Statement for the year ended on that date and the reports of the Directors' and Auditors' thereon.
2. To appoint a Director in place of Mr. S Valmeekanathan, Director, who retires by rotation and being eligible offers himself for re-appointment.
3. To ratify the appointment of Auditors together with their remuneration

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, 142 and other applicable provisions, if any, of the Companies Act, 2013 and the rules framed thereunder, the appointment of M/S Walker Chandiok & Co LLP (*formerly Walker, Chandiok & Co*) Chartered Accountants, (Firm Registration No. 001076N/ N500013), as the Statutory Auditors of the Company, who were appointed in the AGM held on 25<sup>th</sup> August 2014 (duly ratified in the AGM dated June 5, 2015), to hold office from the conclusion of that Annual General Meeting until the conclusion of the thirteenth Annual General Meeting of the Company, be and is hereby ratified together with the, remuneration and reimbursement of out of pocket expenses, as decided by the Board of Directors of the Company."

By Order of Board of Directors

Place: Bengaluru  
Date: 28 April, 2016

  
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.

## DIRECTORS' REPORT

Dear Members,

Your Directors have pleasure in presenting the Tenth Annual Report and the Audited Statement of Accounts of the Company for the Financial Year ended 31<sup>st</sup> March, 2016

### FINANCIAL RESULTS:

The Profit and Loss Account presented to you gives the results for the Period ended 31<sup>st</sup> March, 2016.

(Amount in Rupees Million)

PARTICULARS	CURRENT YEAR 2015-2016	PREVIOUS YEAR 2014-2015
Total Income	168.95	156.74
Earnings before Interest Depreciation, Amortization and Tax (EBIDTA)	31.16	31.28
Less: Depreciation & Amortisation	6.36	6.80
Profit before Taxation	24.80	24.49
Less: Tax Expenses	7.82	8.00
Profit / (Loss) after Taxation	16.98	16.49

Your Company has shown growth of 7.79 % in the Total Income. Profit after Tax amounted to 17 Million during the year under review as compared to 16.5 Million in the corresponding previous year.

### STATE OF COMPANY AFFAIRS:

During the year, the Company has 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 participated in new product launches of one of the world's leading Aerospace OEMs.

Many key employees were travelled to France for proofreading of different projects.

Your company has certified as 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 304 employees which has resulted in Head- Count growth of 6% Y-0-Y.

**MATERIAL CHANGES OR COMMITMENTS:**

There were no other major events subsequent to the Balance Sheet date.

**DIVIDEND:**

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

**RESERVES:**

During the year no amount has been transferred to reserves.

**PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS:**

The position of all the loans/guarantees and Investments held or outstanding as on March 31, 2016 are furnished in the financial statements (Refer: Note 11).

**PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES:**

During the year, the Company has not entered into any contract or arrangement with Related parties as defined under section 2(76) of the Companies Act, 2013, and hence the provisions of section 188 of the said Act, are not applicable.

**DETAILS OF SUBSIDIARY/JOINT VENTURES/ASSOCIATE COMPANIES:**

The Company has no subsidiaries/joint Ventures/Associate as on 31<sup>st</sup> March 2016.

**NETWORTH**

Variations in the Net Worth of the Company as at the Close of the Current Financial Year and previous Financial Year:

Particulars	31.03.2016	31.03.2015
Networth (INR Million)	107.23	91.22

**SIGNIFICANT ORDERS BY REGULATORS/COURTS/TRIBUNALS:**

There are no significant or material orders passed by the regulators or courts or tribunals that have an impact on the going concern status of the Company or its operation, in future.

**NUMBERS OF MEETINGS OF THE BOARD:**

During the financial year 2015-2016, five Board meetings were held at the following dates:

Sl.No.	Board Meeting Dates
1	5 May 2015
2	6 May 2015
3	27 July 2015
4	2 November 2015
5	19 January 2016

**PUBLIC DEPOSITS:**

Your Company has not accepted any public deposits and as such no amount on account of principal or interest on public deposits under Section 73 and Section 74 of the Companies Act, 2013, read with Companies (Acceptance of Deposits) Rules, 2014, was outstanding as on the date of the Balance Sheet.

**STATUTORY AUDITORS & AUDITORS REPORT:**

Walker Chandiook & Co LLP (*formerly Walker, Chandiook & Co*) Bengaluru Statutory Auditors of the Company, who were appointed by the Shareholders in the eighth Annual General Meeting for a period of 5 years till the conclusion of thirteenth Annual General Meeting and being eligible for continuing as the Statutory Auditors, are proposed to be ratified by the Shareholders at the ensuing Annual General Meeting.

The report of the Auditors was taken on record by the Board and there were no qualifications made by them.

**DETAILS IN RESPECT OF FRAUD REPORTED BY AUDITORS:**

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

**EXTRACT OF THE ANNUAL RETURN:**

The extract of Annual Return of your Company as on March 31, 2016, prepared pursuant to Section 92(3) of the Companies Act 2013 and the Rules made thereunder, in Form MGT-9 is attached as Annexure I to this Report.

#### **CONVERSION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE:**

The operation 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 2011, by managing the AC, by replacing PC's by VPC and recycling the paper.

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 2015-16 amounts to Rs 161.73 million on accrual basis (previous year Rs. 150.30 million) Foreign exchange outgo for the year NIL (previous year NIL)

#### **DIRECTORS:**

The Board of Directors had appointed Noel Khouri, as an Alternate Director to Mr. Phillippe Chabalier, Director of the Company, with effect from 1<sup>st</sup> March 2015 and he ceased to be an Alternate Director on the return of Mr. Philippe Chabalier to India on 27<sup>th</sup> July 2015, Further Mr. Khouri was re-appointed as an Alternate director to Mr. Chabalier with effect from 1<sup>st</sup> August 2015.

#### **INTERNAL FINANCIAL CONTROL:**

Your Company's internal financial controls, with reference to the financial statements for the year 2015-2016, are commensurate with the size of the company and nature of its Business.

The Company has set up financial review mechanism which takes place periodically at two levels i.e Management and Board.

#### **RISK MANAGEMENT**

Your Company has identified three risks-the business risk, currency risk, regulatory risk. Periodic risk assessment is done by the management and necessary steps are taken to mitigate the risk.

#### **PREVENTION OF SEXUAL HARASSMENT OF WOMEN AT WORKPLACE**

In order to prevent sexual harassment of women at work place your Company has adopted a policy for prevention of Sexual Harassment of Women at Workplace and has proper mechanism to control the same which is commensurate with the nature and size of the business of the Company. During the year 2015-2016, no such complaints were received.

#### **DIRECTORS RESPONSIBILITY STATEMENT AS REQUIRED UNDER SECTION 134(5) OF THE COMPANIES ACT, 2013:**

Pursuant to the requirement under section 134(5) of the Companies Act, 2013, with respect to Directors' Responsibility Statement, it is hereby confirmed:

- 1) That in the preparation of the annual accounts for the financial year ended 31<sup>st</sup> March 2016, 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 and Loss of the Company of the company for the year;
- 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, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- 4) That the Directors have prepared the annual accounts for the financial year ended 31<sup>st</sup> March, 2016 on 'going concern' basis.
- 5) That the Directors has laid down Internal Financial Control to be followed by the Company and that such internal financial controls are adequate and were operating effectively.

That the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

The Board has considered and made necessary disclosures required to be made in the Board Report pursuant to Section 134 of the Companies Act, 2013 read together with the rules made thereunder.


**ACKNOWLEDGEMENT:**

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: Bengaluru  
Date: April 28, 2016

  
Kedarnath Choudhury  
Director

  
Philippe Chaballier  
Director



**Annexure I:**

**Form No. MGT-9**

**EXTRACT OF ANNUAL RETURN  
as on the financial year ended on 31<sup>st</sup> March 2016**

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

**I. REGISTRATION AND OTHER DETAILS:**

- i) CIN:- U72900KA2006PTC049241
- ii) Registration Date: 20<sup>th</sup> March 2006
- iii) Name of the Company: Cades Studec Technologies (India) Private Limited
- iv) Category / Sub-Category of the Company: Company Limited by Share
- v) Address of the registered office and contact details: # 11, 3<sup>rd</sup> Cross, Near CBI Office , Ganganagar North, R.T Nagar Bengaluru-5600032
- vi) Whether listed company: No
- vii) Name, Address and Contact details of Registrar and Transfer: NA

**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 and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the company
1	Documentation Engineering Services		100%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES –

NAME AND ADDRESS OF THE COMPANY	CIN/G LN	HOLDING/ SUBSIDIARY / ASSOCIATE	% OF SHARES HELD	APPLICABLE SECTION
<b>AXISCADES Engineering Technologies Ltd.</b> Block C Second Floor, Kirloskar Business Park, Bengaluru, Karnataka-560024	L72200K A1990PL C084435	Holding Company	76% (together with its nominee shareholders)	Section 2(46) of the Companies Act, 2013

**IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)**

**i) Category-wise Share Holding**

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Dem at	Phy sical	Tota l	% of Total Shar es	De m at	Phy sical	Total	% of Total Shar es	
<b>A. Promoters</b>									
(1) Indian									
(a) AXISCADES Engineering Technologies Limited		474500	474500	75.92%		474500	474500	75.92%	
(b) Sudhakar Gande*		100	100	0.016%		100	100	0.016%	
(c) Mr. Kedarnath Choudhury*		100	100	0.016%		100	100	0.016%	
(d) Mr. A Srinivas*		100	100	0.016%		100	100	0.016%	
(e) Mr. Venkatarama Gowda*		100	100	0.016%		100	100	0.016%	
(f) Mr. Kirit Manek*		100	100	0.016%		100	100	0.016%	
<b>Sub-total (A) (1):-</b>		<b>475000</b>	<b>475000</b>	<b>76%</b>		<b>475000</b>	<b>475000</b>	<b>76%</b>	
(2) Foreign		-	-	-		-	-	-	
<b>Sub-total (A) (2):-</b>		-	-	-		-	-	-	
<b>Total shareholding of Promoter (A) = (A)(1)+(A)(2)</b>		<b>475000</b>	<b>475000</b>	<b>76%</b>		<b>475000</b>	<b>475000</b>	<b>76%</b>	

<b>B. Public Shareholding</b>							
<b>1. Institutions</b>							
a) Mutual Funds							
b) Banks / FI							
c) Central Govt							
d) State Govt(s)							
e) Venture Capital Funds							
f) Insurance Companies							
g) FIIs							
h) Foreign Venture Capital Funds							
(I) Others (Specify)							
<b>Sub-total (B)(1):-</b>							
<b>2. Non- Institutions</b>							
a) Bodies Corp.							
i) Indian							
ii) Overseas	1,50,000	1,50,000	24%		1,50,000	1,50,000	24%
b) Individuals							
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh							
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh							
c) Others (specify)							
<b>Sub-total (B)(2):-</b>							
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>							
<b>Grand Total (A+B+C)</b>	<b>625000</b>	<b>625000</b>	<b>100%</b>		<b>625000</b>	<b>625000</b>	<b>100%</b>

**(ii) Shareholding of Promoters**

Sl No.	Shareholder's 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	AXISCADES Engineering Technologies Private Limited	474500	75.92%	NIL	474500	75.92%	NIL	NIL
2	Mr. Sudhakar Gande*	100	0.016%	NIL	100	0.016%	NIL	NIL
3	Mr. Kedarnath Choudhury*	100	0.016%	NIL	100	0.016%	NIL	NIL
4	Mr. A Srinivas*	100	0.016%	NIL	100	0.016%	NIL	NIL
5	Mr. Venkatarama*	100	0.016%	NIL	100	0.016%	NIL	NIL
6	Mr. Kirit Manek*	100	0.016%	NIL	100	0.016%	NIL	NIL
	Total	475000	76%	NIL	475000	76%	NIL	NIL

\*Hold shares as a nominee shareholder of AXISCADES Engineering Technologies Limited.

**(iii) Change in Promoters' Shareholding (please specify, if there is no change) : NOT APPLICABLE**

**(iv) Shareholding Pattern 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
	<b>Studec France</b>				
	At the beginning of the year	1,50,000	24%	1,50,000	24%
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc):	No Change			
	At the End of the year ( or on the date of separation, if separated during the year)	1,50,000	24%	1,50,000	24%

**(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
	Mr. Kedarnath Choudhury				
	At the beginning of the year	100	0.016%	100	0.016%
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc):	NIL			
	At the End of the year	100	0.016%	100	0.016%

\*Hold shares as a nominee shareholder of AXISCADES Engineering Technologies Limited

Sl. No.	Mr. A Srinivas	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	100	0.016%	100	0.016%
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase / decrease (c.g. allotment / transfer / bonus / sweat equity etc):	NIL			
	At the End of the year	100	0.016%	100	0.016%



**V. INDEBTEDNESS**

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

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>				
i) Principal Amount				
ii) Interest due but not paid iii) Interest accrued but not due				
<b>Total (i+ii+iii)</b>				
<b>Change in Indebtedness during the financial year</b>				
· Addition				
· Reduction				
<b>Net Change</b>				
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount				
ii) Interest due but not paid iii) Interest accrued but not due				
<b>Total (i+ii+iii)</b>				

**VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL**

*A. Remuneration to Managing Director, Whole-time Directors and/or Manager:*

Sl. no.	Particulars of Remuneration	Name of MD/WTD/ Manager				Total Amount
		----	---	---	----	
1.	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961  (b) Value of perquisites u/s 17(2) Income-tax Act, 1961  (c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961					
2.	Stock Option					
3.	Sweat Equity					
4.	Commission - as % of profit - others, specify...					
5.	Others, please specify					
	Total (A)					
	Ceiling as per the Act					

B. Remuneration to other directors:

Sl. no.	Particulars of Remuneration	Name of Directors				Total Amount
		----	---	----	---	
	<b>3. Independent Directors</b>  · Fee for attending board committee meetings · Commission · Others, please specify					
	<b>Total (1)</b>					
	<b>4. Other Non-Executive Directors</b>  · Fee for attending board committee meetings · Commission · Others, please specify					
	<b>Total (2)</b>					
	<b>Total (B)=(1+2)</b>					
	<b>Total Managerial Remuneration</b>					
	<b>Overall Ceiling as per the Act</b>					

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

Sl. no.	Particulars of Remuneration	Key Managerial Personnel			
		CEO	Company Secretary	CFO	Total
1.	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961  (b) Value of perquisites u/s 17(2) Income-tax Act, 1961  (c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961				
2.	Stock Option				
3.	Sweat Equity				
4.	Commission - as % of profit - others, specify...				
5.	Others, please specify				
	Total				

II. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

There are no penalties/punishment/compounding of offences for the year ending March, 2016

For Cades Studec Technologies (India) Private Limited

Director

For Cades Studec Technologies (India) Private Limited

Director

Financial Statements and Auditors' report

**Cades Studec Technologies (India) Private Limited**

31 March 2016

# Walker Chandiook & Co LLP

**Walker Chandiook & Co LLP**  
(Formerly Walker, Chandiook & Co)  
5th Floor, No. 65/2, Block "A",  
Bagmane Tridib, Bagmane Tech Park  
C V Raman Nagar, Bengaluru 560093  
India

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F +91 80 4126 1228

## Independent Auditor's Report

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

### Report on the Financial Statements

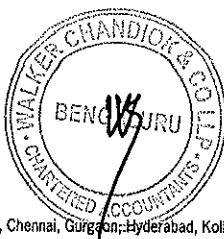
1. We have audited the accompanying financial statements of Cades Studec Technologies (India) Private Limited ("the Company"), which comprise the Balance Sheet as at 31 March 2016, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

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

### Auditor's Responsibility

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



# Walker Chandiook & Co LLP

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

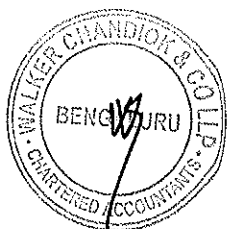
4. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.
5. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.
6. An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial controls relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.
7. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

### Opinion

8. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2016, and 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. 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 financial statements dealt with by this report are in agreement with the books of account;



# Walker Chandiook & Co LLP

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

- d. in our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 (as amended);
- e. on the basis of the written representations received from the directors as on 31 March 2016 and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2016 from being appointed as a director in terms of Section 164(2) of the Act;
- f. we have also audited the internal financial controls over financial reporting (IFCoFR) of the Company as of 31 March 2016 in conjunction with our audit of the financial statements of the Company for the year ended on that date and our report dated 28 April 2016 as per Annexure II expressed an unmodified opinion and
- g. with respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
  - i. the Company does not have any pending litigations which would impact its financial position;
  - ii. the Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses and
  - iii. there were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

*Walker Chandiook & Co LLP*

For Walker Chandiook & Co LLP

(Formerly Walker, Chandiook & Co)

Chartered Accountants

Firm's Registration No.: 001076N/N500013

*Vijay V Singh*

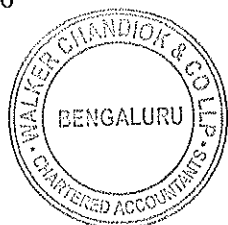
per Vijay Vikram Singh

Partner

Membership No.: 059139

Bengaluru

28 April 2016





# Walker Chandiook & Co LLP

Annexure I to the Independent Auditor's Report of even date to the members of Cades Studec Technologies (India) Private Limited, on the financial statements for the year ended 31 March 2016

## Annexure I

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) The Company does not hold any immovable properties. Accordingly, the provisions of clause 3(i)(c) of the Order are not applicable.
- (ii) The Company does not have any inventory. Accordingly, the provisions of clause 3(ii) of the Order are not applicable.
- (iii) The Company has granted unsecured Inter Corporate Deposit to 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 wherein the principal amounts are repayable on demand and since the repayment of such loans has not been demanded, in our opinion, repayment of the principal amount is regular. Further, the receipt of the interest is regular
  - (c) there is no overdue amount in respect of loans granted to such companies, firms, LLPs or other parties.
- (iv) In our opinion, the Company has complied with the provisions of Sections 185 and 186 of the Act in respect of loans, investments, guarantees, and security.
- (v) The Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable.
- (vi) To the best of our knowledge and belief, the Central Government has not specified maintenance of cost records under sub-section (1) of Section 148 of the Act, in respect of Company's products/ services. Accordingly, the provisions of clause 3(vi) of the Order are not applicable.



# Walker Chandiook & Co LLP

Annexure 1 to the Independent Auditor's Report of even date to the members of Cades Studec Technologies (India) Private Limited, on the financial statements for the year ended 31 March 2016

- (vii)(a) The Company is regular in depositing 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, to the appropriate authorities. 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 become payable.
- (b) There are no dues in respect of income-tax, sales-tax, service tax, duty of customs, duty of excise and value added tax that have not been deposited with the appropriate authorities on account of any dispute.
- (viii) The Company has no loans or borrowings payable to a financial institution or a bank or government and no dues payable to debenture-holders during the year. Accordingly, the provisions of clause 3(viii) of the Order are not applicable.
- (ix) The Company did not raise moneys by way of initial public offer or further public offer (including debt instruments) and did not have any term loans outstanding 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) The Company has not paid or provided for any managerial remuneration. Accordingly, the provisions of Clause 3(xi) of the Order are not applicable
- (xii) In our opinion, the Company is not a Nidhi Company. Accordingly, clause 3(xii) of the Order is not applicable.
- (xiii) In our opinion all transactions with the related parties are in compliance with Sections 177 and 188 of Act, where applicable, and the requisite details have been disclosed in the 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) The Company has not entered into any non-cash transactions with directors or persons connected with them.



# Walker Chandiook & Co LLP

Annexure I to the Independent Auditor's Report of even date to the members of Cades Studec Technologies (India) Private Limited, on the financial statements for the year ended 31 March 2016

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

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

*Vijay V Singh*

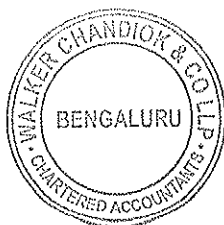
per Vijay Vikram Singh

Partner

Membership No.: 059139

Bengaluru

28 April 2016



# Walker ChandioK & Co LLP

Annexure II to the Independent Auditor's Report of even date to the members of Cades Studec Technologies (India) Private Limited, on the financial statements for the year ended 31 March 2016

## Annexure II

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

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

### Management's Responsibility for Internal Financial Controls

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

### Auditors' Responsibility

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



# Walker Chandiook & Co LLP

Annexure II to the Independent Auditor's Report of even date to the members of Cadex Studec Technologies (India) Private Limited, on the financial statements for the year ended 31 March 2016

## Meaning of Internal Financial Controls over Financial Reporting

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

## Inherent Limitations of Internal Financial Controls over Financial Reporting

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

## Opinion

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

*Walker Chandiook & Co LLP*

For Walker Chandiook & Co LLP

(Formerly Walker, Chandiook & Co)

Chartered Accountants

Firm's Registration No.: 001076N/N500013

*Vijay V Singh*

per Vijay Vikram Singh

Partner

Membership No.: 059139

Bengaluru

28 April 2016



**Cades Studec Technologies (India) Private Limited**  
**Balance Sheet**

	NOTE	As at 31 March 2016 ₹	As at 31 March 2015 ₹
<b>EQUITY AND LIABILITIES</b>			
<b>SHAREHOLDERS' FUNDS</b>			
Share capital	3	6,250,000	6,250,000
Reserves and surplus	4	100,984,432	84,974,186
		<u>107,234,432</u>	<u>91,224,186</u>
<b>NON-CURRENT LIABILITIES</b>			
Long-term provisions	5	9,610,089	8,328,944
		<u>9,610,089</u>	<u>8,328,944</u>
<b>CURRENT LIABILITIES</b>			
Trade payables	6	671,221	887,123
Other current liabilities	7	4,953,504	6,248,051
Short-term provisions	5	1,717,741	1,829,661
		<u>7,342,466</u>	<u>8,964,835</u>
<b>TOTAL</b>		<u><u>124,186,987</u></u>	<u><u>108,517,965</u></u>
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
Fixed assets			
Tangible assets	8	9,490,625	12,358,612
Intangible assets	9	1,614,751	2,347,205
Deferred tax assets (net)	10	4,368,880	3,797,534
Long-term loans and advances	11	6,797,620	9,842,744
		<u>22,271,876</u>	<u>28,346,095</u>
<b>CURRENT ASSETS</b>			
Current investments	12	-	3,567,102
Trade receivables	13	12,955,213	31,205,269
Cash and bank balances	14	46,725,085	38,596,675
Short-term loans and advances	11	28,567,570	3,664,212
Other current assets	15	13,667,243	3,138,612
		<u>101,915,111</u>	<u>80,171,870</u>
<b>TOTAL</b>		<u><u>124,186,987</u></u>	<u><u>108,517,965</u></u>

Summary of significant accounting policies and other explanatory information. 1-30

Notes forms an integral part of these financial statements.

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

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

*Vijay V Singh*  
 per Vijay Vikram Singh  
 Partner

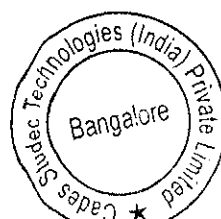
Bengaluru  
 28 April 2016



For and on behalf of the Board of Directors of  
 Cades Studec Technologies (India) Private Limited

*Kedarnath Choudhury*  
 Kedarnath Choudhury  
 Director  
 DIN:01519514

Bengaluru  
 28 April 2016



*Philippe Chabaler*  
 Philippe Chabaler  
 Director  
 DIN:03101253

Bengaluru  
 28 April 2016

*Philippe Chabaler*

**Cades Studec Technologies (India) Private Limited**  
**Statement of Profit and Loss**

	NOTE	Year ended 31 March 2016 ₹	Year ended 31 March 2015 ₹
<b>INCOME</b>			
Revenue from operations	16	161,731,087	150,296,569
Other income	17	7,221,779	6,442,402
<b>TOTAL</b>		<b>168,952,866</b>	<b>156,738,971</b>
<b>EXPENSES</b>			
Employee benefits expense	18	109,259,924	102,515,265
Other expenses	19	28,534,847	22,940,932
<b>TOTAL</b>		<b>137,794,771</b>	<b>125,456,197</b>
<b>EARNINGS BEFORE INTEREST, TAX, DEPRECIATION AND AMORTISATION (EBITDA)</b>		<b>31,158,095</b>	<b>31,282,774</b>
Depreciation and amortisation expense	20	6,362,602	6,796,359
<b>PROFIT BEFORE TAX</b>		<b>24,795,493</b>	<b>24,486,415</b>
Tax expense			
Current tax		9,644,617	9,327,185
Prior year tax		(1,252,818)	-
Deferred tax credit		(571,346)	(1,330,440)
<b>PROFIT FOR THE YEAR</b>		<b>16,975,040</b>	<b>16,489,670</b>
Earnings per equity share:	22		
Basic and diluted		27.16	26.38
Nominal value per share		10.00	10.00

Summary of significant accounting policies and other explanatory information. 1-30

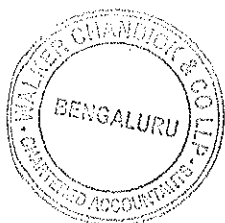
Notes forms an integral part of these financial statements.

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

*Walker Chandlok & Co LLP*  
 For Walker Chandlok & Co LLP  
 (Formerly Walker, Chandlok & Co)  
 Chartered Accountants

*Vijay V Singh*  
 per Vijay Vikram Singh  
 Partner

Bengaluru  
 28 April 2016



For and on behalf of the Board of Directors of  
 Cades Studec Technologies (India) Private Limited

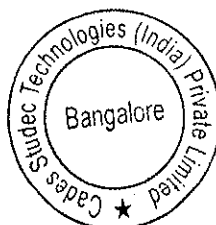
*Kedarnath Choudhury*  
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 Director  
 DIN:01519514

Bengaluru  
 28 April 2016

*Philippe Chabaler*  
 Philippe Chabaler  
 Director  
 DIN:03101253

Bengaluru  
 28 April 2016

*Philippe Chabaler*



**Cades Studec Technologies (India) Private Limited**  
**Cash Flow Statement**

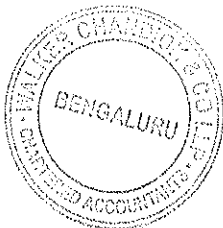
	Year ended 31 March 2016 ₹	Year ended 31 March 2015 ₹
<b>A Cash flow from operating activities</b>		
Profit before tax	24,795,493	24,486,415
Adjustment for :		
Depreciation and amortisation	6,362,602	6,796,359
Dividend income from mutual funds	(191,939)	(317,102)
Provision no longer required, written back	-	(716,981)
Unrealised foreign exchange loss	445,903	-
Service tax credit written off	2,629,496	-
Interest income from fixed deposits	(4,332,723)	(3,362,635)
<b>Operating profit before working capital changes</b>	<u>29,708,832</u>	<u>26,886,056</u>
<b>Movements in working capital</b>		
Decrease in trade receivables	17,804,153	1,051,209
Decrease/(increase) in loans and advances	22,174	(3,599,525)
(Increase)/decrease in other current assets	(13,000,784)	757,451
(Decrease) in trade and other payables	(1,510,449)	(2,556,896)
Increase in provisions	2,089,651	2,372,862
<b>Cash generated from operating activities</b>	<u>35,113,577</u>	<u>24,911,157</u>
Direct taxes paid	(9,822,129)	(9,753,005)
<b>Net cash generated from operating activities (A)</b>	<u>25,291,448</u>	<u>15,158,152</u>
<b>B Cash flow from investing activities</b>		
Intercorporate deposit given	(24,000,000)	-
Purchase of fixed assets	(2,762,161)	(3,953,000)
Redemption/(investment) in mutual funds	3,567,102	(3,250,000)
Proceeds from/(investment in) fixed deposits	6,100,000	(11,925,000)
Interest/dividend income received	6,032,021	1,441,822
<b>Net cash used in investment activities (B)</b>	<u>(11,063,038)</u>	<u>(17,686,178)</u>
<b>Net increase/(decrease) in cash and cash equivalents (A+B)</b>	<u>14,228,410</u>	<u>(2,528,026)</u>
Cash and cash equivalents as at beginning of the year	596,675	3,124,701
<b>Cash and cash equivalents as at end of the year</b>	<u>14,825,085</u>	<u>596,675</u>

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

*Walker Chandiock & Co LLP*  
 For Walker Chandiock & Co LLP  
 (Formerly Walker, Chandiock & Co)  
 Chartered Accountants

*Vijay V Singh*  
 per Vijay Vikram Singh  
 Partner

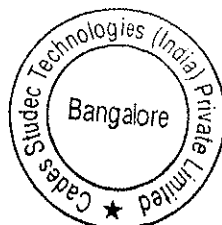
Bengaluru  
 28 April 2016



For and on behalf of the Board of Directors of  
 Cades Studec Technologies (India) Private Limited

*Kedarnath Choudhury*  
 Kedarnath Choudhury  
 Director  
 DIN:01519514

Bengaluru  
 28 April 2016



*Philippe Chabalier*  
 Philippe Chabalier  
 Director  
 DIN:03101253

Bengaluru  
 28 April 2016

*Philippe Chabalier*



# Cades Studec Technologies (India) Private Limited

## Summary of significant accounting policies and other explanatory information

### 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, an erstwhile subsidiary of AXISCADES Engineering Technologies Limited (Axis)) 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 and its shareholders, and on receipt of approval from Hon'ble High Courts filed with Registrar of Companies on 24 March 2014, Cades had been merged into Axis. Due to this merger, the Company has become a subsidiary of Axis.

### 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

#### (b) Use of estimates

The preparation of financial statements is in conformity with generally accepted accounting principles, which requires the management of the Company to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of 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.

#### (c) 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.

Dividend income is recognised when the right to receive is established.

#### (d) 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.

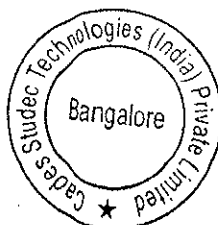
Depreciation is provided under the straight-line method based on the estimated useful life of the assets. Depreciation is calculated on a pro-rata basis from the date of installation till the date the assets are sold or disposed.

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

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

Depreciation/amortisation is charged on a proportionate basis for all the assets purchased and sold during the year. Leasehold improvements have been depreciated over lease period including renewable period or useful economic life, whichever is shorter.



## Cades Studec Technologies (India) Private Limited

### Summary of significant accounting policies and other explanatory information (Cont'd)

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

##### (e) 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.

##### (f) 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.

##### (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 the long-term investments.

##### (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

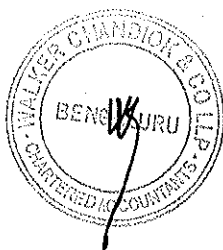
###### *Initial recognition*

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.

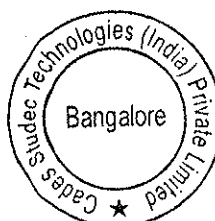
###### *Conversion*

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.



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## Cades Studec Technologies (India) Private Limited

### Summary of significant accounting policies and other explanatory information (Cont'd)

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

##### (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.

##### (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

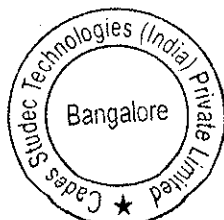
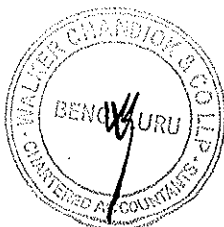
The Company creates a provision when there is a present obligation as a result of a past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of the obligation. A disclosure for a contingent liability is made when there is a possible obligation or a present 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.



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## Cades Studec Technologies (India) Private Limited

### Summary of significant accounting policies and other explanatory information (Cont'd)

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

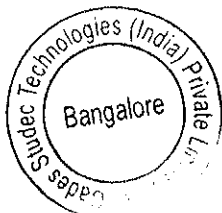
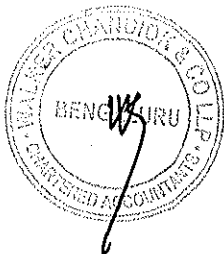
##### (n) Derivative instruments and hedge accounting

Pursuant to the ICAI Announcement on accounting for derivatives and ability to early adopt Accounting Standard 30 - Financial Instruments: "Recognition and Measurement" (AS 30), the Company has adopted AS 30 with effect from 1 April 2014, to the extent that the adoption does not conflict with existing mandatory accounting standards and other authoritative pronouncements, company law and other regulatory requirements. The Company uses foreign exchange forwards contracts to hedge its exposure to movements in foreign exchange rates. These foreign exchange forward contracts are not used for trading or speculation purposes.

The accounting policies for 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.



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## Cades Studec Technologies (India) Private Limited

### Summary of significant accounting policies and other explanatory information (Cont'd)

3 SHARE CAPITAL	As at 31 March 2016		As at 31 March 2015	
	Number	₹	Number	₹
Authorised Equity shares of ₹ 10 each	625,000	6,250,000	625,000	6,250,000
	<u>625,000</u>	<u>6,250,000</u>	<u>625,000</u>	<u>6,250,000</u>
Issued, subscribed and paid up Equity shares of ₹10 each, fully paid up	625,000	6,250,000	625,000	6,250,000
	<u>625,000</u>	<u>6,250,000</u>	<u>625,000</u>	<u>6,250,000</u>

#### a. Reconciliation of the equity share capital

	As at 31 March 2016		As at 31 March 2015	
	Number	₹	Number	₹
Balance at the beginning of the year	625,000	6,250,000	625,000	6,250,000
Add: Issued during the year	-	-	-	-
Balance at the end of the year	<u>625,000</u>	<u>6,250,000</u>	<u>625,000</u>	<u>6,250,000</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

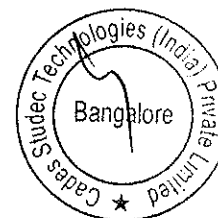
	As at 31 March 2016		As at 31 March 2015	
	Number	₹	Number	₹
AXISCADES Engineering Technologies Limited (Also refer Note 1 to the financial statements) *	475,000	4,750,000	475,000	4,750,000
	<u>475,000</u>	<u>4,750,000</u>	<u>475,000</u>	<u>4,750,000</u>

\* Includes 500 Shares of ₹ 100/- each, being held by five nominee shareholders of AXISCADES Engineering Technologies Limited.

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

	As at 31 March 2016		As at 31 March 2015	
	Number	₹	Number	₹
(i) AXISCADES Engineering Technologies Limited (Also refer note 1 to the financial statements)	475,000	4,750,000	475,000	4,750,000
(ii) Studec SAS	150,000	1,500,000	150,000	1,500,000
	<u>625,000</u>	<u>6,250,000</u>	<u>625,000</u>	<u>6,250,000</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.



## Cades Studec Technologies (India) Private Limited

### Summary of significant accounting policies and other explanatory information (Cont'd)

	As at 31 March 2016 ₹	As at 31 March 2015 ₹
<b>4 RESERVES AND SURPLUS</b>		
<b>Securities premium account</b>		
Balance at the beginning of the year	65,682,614	65,682,614
Balance at the end of the year	<u>65,682,614</u>	<u>65,682,614</u>
<b>Surplus In the Statement of Profit and Loss</b>		
Balance at the beginning of the year	18,326,778	1,837,108
Add: Net profit for the year	16,975,040	16,489,670
Balance at the end of the year	<u>35,301,818</u>	<u>18,326,778</u>
<b>Hedge reserve</b>		
Balance at the beginning of the year	-	-
Movement during the year	-	964,794
Balance at the end of the year	<u>-</u>	<u>964,794</u>
<b>Total</b>	<u><u>100,984,432</u></u>	<u><u>84,974,186</u></u>

	As at 31 March 2016		As at 31 March 2015	
	Long-term ₹	Short-term ₹	Long-term ₹	Short-term ₹
<b>5 PROVISIONS</b>				
<b>Provision for employee benefits</b>				
Gratuity (Also, refer note (a) below)	6,595,976	934,942	5,119,437	404,638
Compensated absences	1,027,158	222,980	857,355	115,872
	<u>7,623,134</u>	<u>1,157,922</u>	<u>5,976,792</u>	<u>520,510</u>
<b>Other provisions</b>				
Provision for lease rent straight-lining	1,986,955	559,819	2,352,152	388,725
Provision for income tax [(net of advance tax) (31 March 2015: ₹15,266,884)]	-	-	-	920,426
	<u>9,610,089</u>	<u>1,717,741</u>	<u>8,328,944</u>	<u>1,829,661</u>

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 2016 ₹	Year ended 31 March 2015 ₹
<b>Changes in the present value of the defined benefit obligation are as follows:</b>		
Defined benefit obligation at the beginning of the year	5,524,075	3,594,550
Current service cost	2,263,545	2,347,612
Interest cost	402,449	247,057
Benefits paid	(429,447)	(862,423)
Actuarial (gains)/ losses	(229,704)	197,279
Defined benefit obligation at the end of the year	<u>7,530,918</u>	<u>5,524,075</u>
<b>Components of net gratuity costs are</b>		
Current service cost	2,263,545	2,347,612
Interest on defined benefit obligation	402,449	247,057
Net actuarial (gains)/losses	(229,704)	197,279
Expenses recognised in the Statement of Profit and Loss for the year	<u>2,436,290</u>	<u>2,791,948</u>
<b>Amount recognised in the Balance Sheet are as follows:</b>		
Present value of unfunded obligations as at the end of the year	7,530,918	5,524,075
Net liability recognised in the Balance Sheet	<u>7,530,918</u>	<u>5,524,075</u>

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

Discount rate	7.58%	7.81%
Salary escalation rate	20%	20%
Retirement age	58 years	58 years

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

	31 March 2014	31 March 2015	31 March 2016
Experience adjustments	(107,148)	197,279	(229,704)



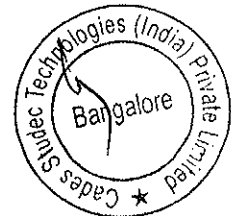
## Cades Studec Technologies (India) Private Limited

### Summary of significant accounting policies and other explanatory information (Cont'd)

	As at 31 March 2016 ₹	As at 31 March 2015 ₹
<b>6 TRADE PAYABLES</b>		
Dues to micro and small enterprises (Also, refer note (a) below)	-	-
Dues to others	671,221	887,123
	<u>671,221</u>	<u>887,123</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 2016 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.

	As at 31 March 2016 ₹	As at 31 March 2015 ₹
<b>7 OTHER CURRENT LIABILITIES</b>		
Duties and taxes payable	919,619	1,113,524
Provision for employees	4,033,885	2,684,527
Unearned revenue	-	2,450,000
	<u>4,953,504</u>	<u>6,248,051</u>



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## Cades Studec Technologies (India) Private Limited

### Summary of significant accounting policies and other explanatory information (Cont'd)

#### 8 TANGIBLE ASSETS

(Amount in ₹)

	Computers	Furniture and fixtures	Office equipments	Leasehold improvements	Total
<b>Gross block</b>					
Balance as at 1 April 2014	12,173,796	4,978,652	7,712,847	5,311,992	30,177,287
Addition during the year	3,337,828	348,820	414,330	-	4,100,978
<b>Balance as at 31 March 2015</b>	<b>15,511,624</b>	<b>5,327,472</b>	<b>8,127,177</b>	<b>5,311,992</b>	<b>34,278,265</b>
Addition during the year	1,414,129	227,477	315,556	-	1,957,162
Deletion during the year	-	-	255,375	-	255,375
<b>Balance as at 31 March 2016</b>	<b>16,925,753</b>	<b>5,554,949</b>	<b>8,187,358</b>	<b>5,311,992</b>	<b>35,980,052</b>
<b>Accumulated depreciation</b>					
Balance as at 1 April 2014	8,551,505	2,662,275	3,131,202	2,650,507	16,995,489
Charge for the year	2,631,871	781,583	978,765	531,945	4,924,164
<b>Balance as at 31 March 2015</b>	<b>11,183,376</b>	<b>3,443,858</b>	<b>4,109,967</b>	<b>3,182,452</b>	<b>21,919,653</b>
Charge for the year	2,442,644	768,616	1,080,457	533,402	4,825,149
Deletion during the year	-	-	255,375	-	255,375
<b>Balance as at 31 March 2016</b>	<b>13,626,020</b>	<b>4,212,504</b>	<b>4,935,049</b>	<b>3,715,854</b>	<b>26,489,427</b>
<b>Net block</b>					
Balance as at 31 March 2015	4,328,248	1,883,614	4,017,210	2,129,540	12,358,612
Balance as at 31 March 2016	3,299,733	1,342,445	3,252,309	1,596,138	9,490,625

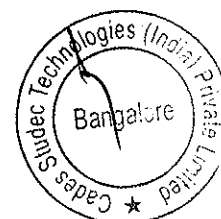
#### 9 INTANGIBLE ASSETS

(Amount in ₹)

	Computer software	Total
<b>Gross block</b>		
Balance as at 1 April 2014	8,049,598	8,049,598
Addition during the year	868,923	868,923
<b>Balance as at 31 March 2015</b>	<b>8,918,521</b>	<b>8,918,521</b>
Addition during the year	804,999	804,999
<b>Balance as at 31 March 2016</b>	<b>9,723,520</b>	<b>9,723,520</b>
<b>Accumulated amortisation</b>		
Balance as at 1 April 2014	4,699,121	4,699,121
Charge for the year	1,872,195	1,872,195
<b>Balance as at 31 March 2015</b>	<b>6,571,316</b>	<b>6,571,316</b>
Charge for the year	1,537,453	1,537,453
<b>Balance as at 31 March 2016</b>	<b>8,108,769</b>	<b>8,108,769</b>
<b>Net block</b>		
Balance as at 31 March 2015	2,347,205	2,347,205
Balance as at 31 March 2016	1,614,751	1,614,751



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## Cades Studtec Technologies (India) Private Limited

### Summary of significant accounting policies and other explanatory information (Cont'd)

	As at 31 March 2016 ₹	As at 31 March 2015 ₹
<b>10 Deferred tax assets</b>		
Timing difference on depreciation and amortisation	416,915	-
Provision for employee benefits	3,109,925	3,077,901
Provision for straight lining of rent	842,040	906,216
	<u>4,368,880</u>	<u>3,984,117</u>
<b>Deferred tax (liabilities)</b>		
Timing difference on depreciation and amortisation	-	(186,583)
<b>Total</b>	<u>-</u>	<u>(186,583)</u>
<b>Deferred taxes assets (net)</b>	<u><u>4,368,880</u></u>	<u><u>3,797,534</u></u>

### 11 LOANS AND ADVANCES

(Unsecured, considered good)

	As at 31 March 2016		As at 31 March 2015	
	Long-term ₹	Short-term ₹	Long-term ₹	Short-term ₹
Security deposit	4,194,310	-	3,896,572	-
Inter-corporate deposit to related party (Also, refer note 23) *	-	24,000,000	-	-
CENVAT credit receivable	500,437	984,661	4,343,990	-
Prepaid expenses	624,788	1,429,411	-	1,228,435
Loan to employees	-	1,750,115	-	2,316,223
Supplier advances	-	403,383	-	119,554
Advance taxes [net of provision for tax ₹ 0,644,617 (31 March 2015: Nil)]	1,470,005	-	968,181	-
	<u>6,797,620</u>	<u>28,567,570</u>	<u>9,842,744</u>	<u>3,664,212</u>

\* The Company has given inter-corporate deposit (ICD) to AXISCADES Aerospace & Technologies Private Limited, a fellow subsidiary, carrying interest rate of 11% per annum and the ICD is repayable on demand.

### 12 CURRENT INVESTMENTS

(Unquoted, valued at lower of cost and fair value)

Others

Investment in mutual funds

	As at 31 March 2016 ₹	As at 31 March 2015 ₹
	-	3,567,102
	<u>-</u>	<u>3,567,102</u>

### 13 TRADE RECEIVABLES

(Unsecured, considered good)

Outstanding for a period exceeding six months  
from the date they are due for payment

Other debts

	As at 31 March 2016 ₹	As at 31 March 2015 ₹
	12,955,213	31,205,269
	<u>12,955,213</u>	<u>31,205,269</u>

### 14 CASH AND BANK BALANCES

Cash and cash equivalents

Balances with banks in current accounts

Cash on hand

	As at 31 March 2016 ₹	As at 31 March 2015 ₹
	14,822,594	566,220
	2,491	30,455
	<u>14,825,085</u>	<u>596,675</u>

Other bank balances

Deposits with maturity more than 3 months but less than 12  
months

	As at 31 March 2016 ₹	As at 31 March 2015 ₹
	31,900,000	38,000,000
	<u>31,900,000</u>	<u>38,000,000</u>
	<u>46,725,085</u>	<u>38,596,675</u>

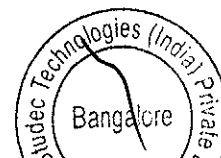
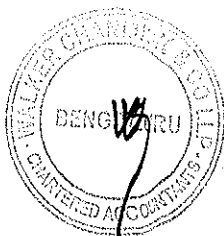
### 15 OTHER CURRENT ASSETS

Hedge asset

Interest accrued

Unbilled revenue

	As at 31 March 2016 ₹	As at 31 March 2015 ₹
	-	964,794
	666,459	2,173,818
	13,000,784	-
	<u>13,667,243</u>	<u>3,138,612</u>

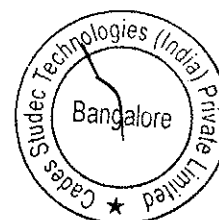


**Cades Studec Technologies (India) Private Limited**  
**Summary of significant accounting policies and other explanatory information (Cont'd)**

	Year ended 31 March 2016 ₹	Year ended 31 March 2015 ₹
<b>16 REVENUE FROM OPERATIONS</b>		
Documentation engineering services	161,731,087	150,296,569
	<b>181,731,087</b>	<b>150,296,569</b>
<b>17 OTHER INCOME</b>		
Interest income	4,332,723	3,362,635
Rental income	-	617,400
Interest on lease deposits	322,439	285,890
Net gain on foreign currency transactions and translation	2,374,678	1,142,394
Provision no longer required, written back	-	716,981
Dividend income from mutual funds	191,939	317,102
	<b>7,221,779</b>	<b>6,442,402</b>
<b>18 EMPLOYEE BENEFITS EXPENSE</b>		
Salaries, wages and bonus	98,557,117	92,082,447
Contribution to gratuity (Also, refer note 5(a))	2,436,290	2,791,948
Contribution to provident and other funds	5,143,545	5,025,226
Provision for compensated absences	537,604	-
Staff welfare expense	2,585,368	2,615,644
	<b>109,259,924</b>	<b>102,515,265</b>
<b>19 OTHER EXPENSES</b>		
Rent (Also, refer note 25)	8,020,903	7,993,690
Power and fuel	2,879,589	2,713,446
Consulting engineers expenses	204,921	224,094
Travelling and conveyance	8,358,056	4,946,300
Repairs and maintenance		
-Buildings (leased)	1,212,764	1,545,634
-Others	621,094	572,161
Insurance expenses	22,016	4,362
Rates and taxes	48,455	106,615
Service tax credit written off	2,629,496	-
Auditor's remuneration	400,000	400,000
Communication expenses	1,097,668	1,101,120
Equipment hire charges	289,406	612,487
Directors sitting fees	200,000	-
Recruitment and training expenses	527,771	995,469
Legal and professional charges	1,251,065	766,437
Software subscriptions	-	123,123
Printing and stationary	385,683	417,334
Security charges	284,520	267,128
Bank charges	66,647	113,649
Miscellaneous expenses	34,793	37,883
	<b>28,534,847</b>	<b>22,940,932</b>

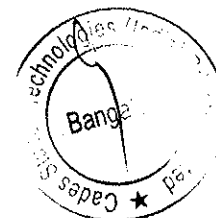
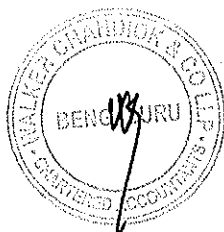


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**Cades Studec Technologies (India) Private Limited**  
**Summary of significant accounting policies and other explanatory information (Cont'd)**

	Year ended 31 March 2016 ₹	Year ended 31 March 2015 ₹
<b>20 DEPRECIATION AND AMORTISATION EXPENSE</b>		
Depreciation of tangible assets (Also, refer note 8)	4,825,149	4,924,164
Amortisation of intangible assets (Also, refer note 9)	1,537,453	1,872,195
	<u>6,362,602</u>	<u>6,796,359</u>
<b>21 EMPLOYEE BENEFIT OBLIGATION</b>		
a) <b>Defined contribution plan</b>		
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 period ended 31 March 2016 is ₹ 4,614,006 (31 March 2015 - ₹ 4,389,667).		
<b>22 EARNINGS PER SHARE (EPS)</b>		
a) Profit after tax attributable to equity shares (in ₹)	16,975,040	16,489,670
b) Weighted average number of shares outstanding	625,000	625,000
c) Nominal value of shares (in ₹)	10	10
d) Basic and diluted earning per share (In ₹)	27.16	26.38



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**Cades Studec Technologies (India) Private Limited**  
**Summary of significant accounting policies and other explanatory information (Cont'd)**

**23 RELATED PARTY DISCLOSURES**

*i. Parties where control exists:*

Nature of relationship

Name of party

Holding Company information

The Company is a subsidiary of AXISCADES Engineering Technologies Limited (ACETL, formerly Axis-IT&T Limited) (Also refer Note 1 to the financial statements). ACETL is a subsidiary of Jupiter Capital Private Limited ('JCPL'). Tayana Digital Private Limited (TDPL) ceased to be the intermediate holding company w.e.f. 09 July 2014 and in turn AXISCADES Aerospace Technologies Limited (ACAT) also ceased to be the intermediate holding company.

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

Fellow Subsidiary

AXISCADES Aerospace & Technologies Private Limited

Significant shareholder

Studec SAS (Holding Company until 10 July 2013)

*iii. Transactions with related parties:*

(Amount in ₹)

	Nature of transaction	Relationship	Year Ended 31 March 2016	Year Ended 31 March 2015
A	Inter-corporate deposit given AXISCADES Aerospace & Technologies Private Limited	Fellow Subsidiary Company	24,000,000	-
B	Documentation Engineering Services Studec SAS	Significant shareholder	161,731,087	150,296,569

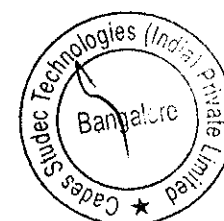
*iv. Balances as at the year end:*

(Amount in ₹)

	Nature of transaction	Relationship	Year Ended 31 March 2016	Year Ended 31 March 2015
A	Loans and advances AXISCADES Aerospace & Technologies Private Limited	Fellow Subsidiary Company	24,000,000	-
B	Trade receivables Studec SAS	Significant shareholder	12,955,213	31,205,269
C	Unearned revenue Studec SAS	Significant shareholder	-	2,450,000
D	Unbilled revenue Studec SAS	Significant shareholder	13,000,784	-

**24 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.



## Cades Studec Technologies (India) Private Limited

### Summary of significant accounting policies and other explanatory information (Cont'd)

#### 25 OPERATING LEASES

The lease expenses for cancellable and non-cancellable operating leases during the year ended 31st March 2016 was ₹ 8,020,903 ( 31 March 2015 - ₹ 7,993,690)

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 2016 ₹	As at 31 March 2015 ₹
Payable not later than 1 year	8,258,918	7,865,636
Payable later than 1 year not later than five years	15,804,700	24,063,619
	<u>24,063,618</u>	<u>31,929,255</u>

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 6 and 9 years generally and are usually renewable by mutual consent on mutually agreeable terms. The aggregate lease rentals payable are charged as Rent in Statement of Profit and Loss (Refer note 19).

#### 26 PARTICULARS RELATING TO FOREIGN EXCHANGE

##### Earnings in foreign exchange (accrual basis)

	As at 31 March 2016 ₹	As at 31 March 2015 ₹
Income from operations	161,731,087	150,296,569

#### 27 AUDITOR'S REMUNERATION \*

	As at 31 March 2016 ₹	As at 31 March 2015 ₹
Statutory audit fee	350,000	350,000
Tax audit	50,000	50,000
Certification	20,000	20,000
<b>TOTAL</b>	<u>420,000</u>	<u>420,000</u>

\* Exclusive of service tax and out of pocket expenses.

#### 28 HEDGING AND DERIVATIVES

- (a) Pursuant to the ICAI Announcement on accounting for derivatives and ability to early adopt Accounting Standard 30-Financial Instruments: "Recognition and Measurement" (AS 30), the Company has early adopted AS 30 with effect from 1 April 2014, to the extent that the adoption does not conflict with existing mandatory accounting standards and other authoritative pronouncements, company law and other regulatory requirements. The impact of the adoption of AS 30 does not have any impact on the opening reserves of the Company.

Pursuant to the adoption, the gain on fair valuation on forward contracts, which qualify as effective cash flow hedges amount to Nil has been recognised in the hedge reserve account for the year ended 31 March 2016.

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

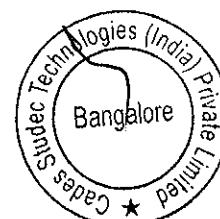
Category	Currency	Buy / Sell	31 March 2016	31 March 2015
Forward contracts for hedging	USD	Sell	-	1,148,461

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

Particulars	Currency	31 March 2016		31 March 2015	
		Amount in foreign currency	Amount in ₹	Amount in foreign currency	Amount in ₹
Trade receivables	USD	195,306	12,955,213	-	-
Unbilled revenue	USD	195,983	13,000,784	-	-



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# Cades Studec Technologies (India) Private Limited

## Notes to the financial statements for the year ended 31 March 2016 (Cont'd)

### 29 TRANSFER PRICING

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

### 30 PREVIOUS YEAR FIGURES

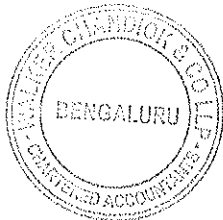
Previous year figures have been regrouped or reclassified wherever considered necessary to confirm to current year classification.

*Walker Chandlok & Co LLP*

For Walker Chandlok & Co LLP  
(Formerly Walker, Chandlok & Co)  
Chartered Accountants

*Vijay V Singh*  
per Vijay Vikram Singh  
Partner

Bengaluru  
28 April 2016



For and on behalf of the Board of Directors of  
Cades Studec Technologies (India) Private Limited

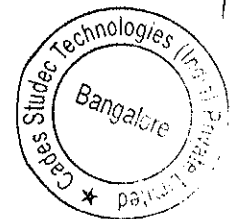
*Kedarnath Choudhury*  
Kedarnath Choudhury  
Director  
DIN:01519514

Bengaluru  
28 April 2016

*Philippe Chaballier*  
Philippe Chaballier  
Director  
DIN:03101253

Bengaluru  
28 April 2016

*Philippe Chaballier*



**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 10<sup>th</sup> Annual General Meeting held on Thursday, 9<sup>th</sup> June 2016 at Jupiter Innovision Centre, No.54 Richmond Road, Bengaluru – 560025 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**

**PROXY FORM**

(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 10<sup>th</sup> Annual General Meeting of the Company, to be held on Thursday, 9<sup>th</sup> June 2016 at Jupiter Innovision Centre, No. 54 Richmond Road, Bengaluru – 560025 at 11:00A.M.

and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution No.

1. Adoption of Financial Statements
2. Re-appointmnet of Mr. S. Valmeekanthan, who retires by rotation
3. To ratify the appointment of Auditors together with their remuneration

Signature of shareholder: \_\_\_\_\_

Signature of proxy holder: \_\_\_\_\_

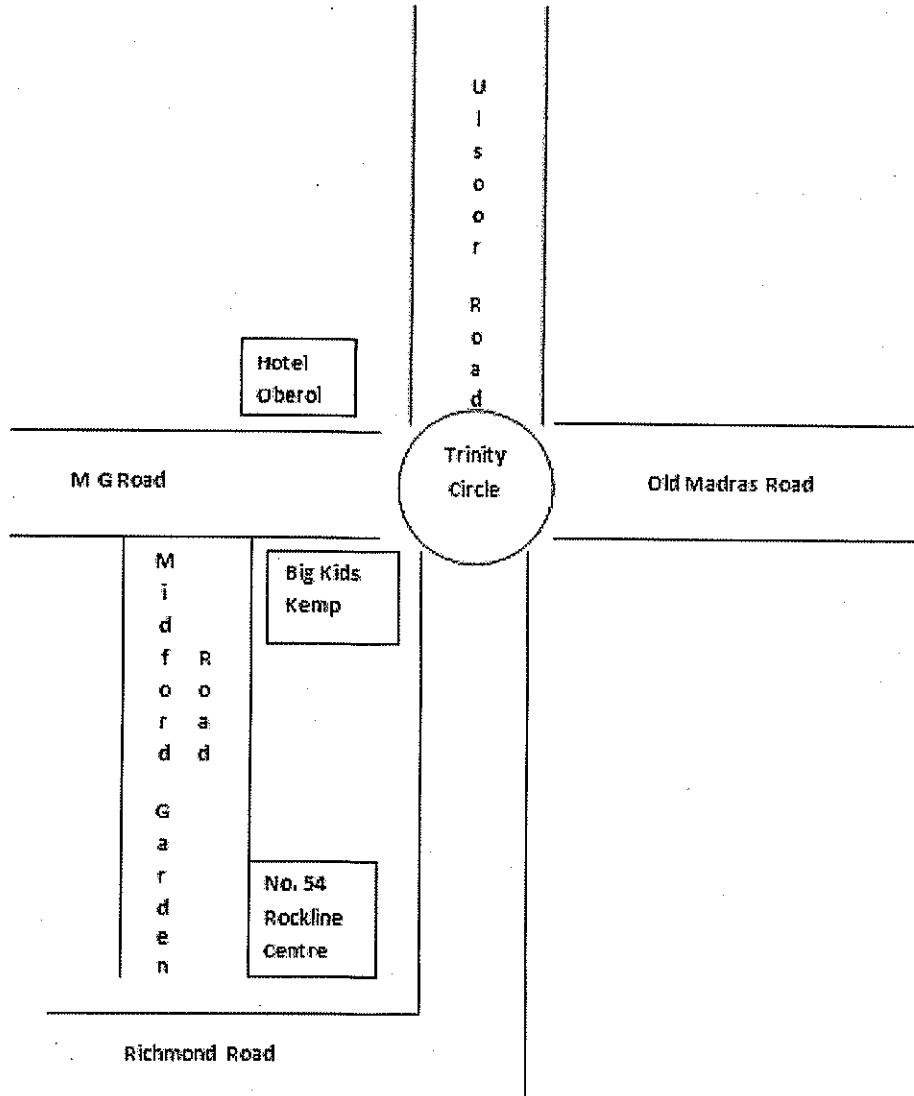
Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2016

Affix  
Re 1  
Revenue  
Stamp

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.

### ROUTE MAP TO VENUE OF AGM

Route Map of venue of AGM of Cades Studec Technologies (India) Private Limited to be held on Thursday, 9 June 2016 at 11:00 am at Jupiter Innovision Centre, No. 54, Richmond Road Bengaluru-560025.



Rockline Centre is also known as Jupiter Innovision Centre