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Great performance.



ANNUAL REPORT 2011-2012
AXIS-IT&T LIMITED



axis-IT&T
We Engineer Your Thoughts



Employee get together in Chennai



Asix Inc. Team at Employee get together in US

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BOARD OF DIRECTORS

MR. S. RAVINARAYANAN
MR. ROHITASAVA CHAND
MR. KEDAR NATH CHOUDHURY
MR. PRADEEP DADLANI
MR. KAILASH RUSTAGI
MR. P. HEMANTH POLAVARAM
MRS. SHWETA AGRAWAL

CHAIRMAN & CEO
DIRECTOR
DIRECTOR
DIRECTOR
DIRECTOR
DIRECTOR

Company Secretary & Compliance Officer

REGISTERED OFFICE

Axis-IT&T Limited
A-264, Second Floor,
Defence Colony,
New Delhi-24

OFFICE FOR CORRESPONDENCE

D-30, Sector-3,
Noida-201301

BANKERS

Yes Bank Ltd.
Ground Floor,
A-356, Sector 19,
Noida-201301

Royal Bank of Scotland N.V.
Hansalaya Building
15, Barakhamba Road
Connaught Place,
New Delhi-110001

AUDITORS

Walker Chandiok & Co.
16/1, Cambridge Road
Ulsoor
Bengaluru-560008

NOTICE

NOTICE is hereby given that the Twenty Second Annual General Meeting of the members of AXIS-IT&T Limited will be held at Lakshmipat Singhania Auditorium, PHD Chambers of Commerce & Industry, PHD House, Ground Floor, 4/2, Sri Fort Road, New Delhi – 110016 on Thursday 20th day of September, 2012 at 11.30 a.m. to transact the following businesses:

ORDINARY BUSINESS

1. To receive, consider and adopt the Profit and Loss Account for the year ended 31st March, 2012 and the Audited Balance Sheet as at that date along with the notes and annexures thereto and the report of the Board of Directors and Auditors thereon.
2. To appoint a Director in place of Mr. Kedar Nath Choudhury, who retires by rotation and, being eligible offers himself for re-appointment.
3. To appoint a Director in place of Mr. Pradeep Dadlani, who retires by rotation and, being eligible offers himself for re-appointment.
4. **To consider, and if thought fit, to pass with or without modification(s) the following resolution as an Ordinary Resolution:**

“RESOLVED THAT, the retiring auditors M/s Walker Chandiok & Co., Chartered Accountants (Firm Registration No. 001076N), be and are hereby appointed as the Auditors of the Company to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting of the Company at a remuneration and reimbursement of out of pocket expenses as may be approved by the Board of Directors of the Company.”

By Order of the Board of Directors
For AXIS-IT&T Limited

-sd-

Place: Noida
Date: 28th May 2012

Shweta Agrawal
Company Secretary

NOTES:

1. A Member entitled to attend and vote is entitled to appoint a proxy to attend the Meeting. A proxy need not be a Member of the Company. Proxies in order to be effective must be received by the Company not less than 48 hours before the Meeting. Under the Companies Act, 1956, voting is by show of hands unless a poll is demanded by a member or members present, or by proxy holding at least one-tenth of the total shares entitled to vote on the resolution or by those holding paid up capital of at least Rs. 50,000. A proxy may not vote, except in a poll.
2. The proxy form duly complete and signed should be deposited at the registered office of the Company not later than 48 hours before the commencement of the meeting. The address of the registered office is A-264, Second Floor, Defence Colony, New Delhi – 110024.
3. The register of Members and Share transfer shall remain closed from 25th August 2012 till 20th September 2012 (both days inclusive).
4. For the convenience of the members, an attendance slip is annexed to the proxy form. Members are requested to affix their signatures at the space provided and fill the particulars and hand over the attendance slip at the place of the Meeting.

ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-APPOINTMENT AT THE ANNUAL GENERAL MEETING

Mr. Kedar Nath Choudhury is a qualified Chartered Accountant and Cost & Works Accountant with over 18 years of experience in the areas of Banking, Financial Planning, Budgeting, forecasting, Compliance, ERP implementation, M&A, etc. and is presently serving on the Board of Cades Digitech Pvt. Ltd., Tayana Digital Pvt. Ltd. and Raaga Axis Aviacom Pvt. Limited.

Mr. Pradeep Dadlani has a B.E. (Mechanical) & MBA (FT) qualifications. He has over 28 years of Consultancy and Corporate experience in varied sectors & functional areas such as IT, Media, Telecom, Environment, Industry, Market Research, Business Development etc. and is presently serving on the Board of Syscom Projects Consultants Pvt. Ltd., Cades Digitech Pvt. Ltd. and Axis Aerospace Technologies Limited.

Attendance record of the Directors seeking re-election (1.4.2011 to 31.3.2012)**At the Board Meeting**

Name of the Director	No. of Board Meeting Held	No. of Meetings attended in person	Attendance at the last AGM
Mr. Kedar Nath Choudhury	10	10	Present
Mr. Pradeep Dadlani	10	10	Present

At the Audit Committee Meeting

Name of the Director	No. of Held	No. of Meetings attended in person
Mr. Kedar Nath Choudhury	6	6
Mr. Pradeep Dadlani	6	6

By Order of the Board of Directors

For AXIS-IT&T Limited

-Sd-

Place: Noida

Date : 28th May 2012

Shweta Agrawal
Company Secretary

DIRECTORS' REPORT

To The Members,

Your Directors are pleased to present their report on the business and operations of the Company for the financial year ended 31st March 2012

1. Financial Results

Rs. Lacs

	Axis-IT&T Ltd.		Consolidated for the Group	
Year ended March 31	2012	2011	2012	2011
Total income	4,822.43	3,750.19	23,046.11	16,500.00
Total expenditure (before interest & depreciation)	3,750.70	2,855.36	20,595.90	14,802.79
Profit / (Loss) before interest, depreciation, amortization and extra ordinary items	1,071.74	894.83	2,450.21	1,697.21
Interest & other finance charges	183.93	166.41	324.77	337.46
Depreciation & amortization	127.10	105.76	591.64	374.50
Profit/ (Loss) before Tax and Extraordinary Items	760.71	622.66	1,533.80	985.25
Profit/ (Loss) before Tax	760.71	622.66	1,533.80	985.25
Provision for Tax – Current & Deferred	2.12	(0.01)	311.81	86.75
Profit / (Loss) after Tax	758.59	622.67	1,221.99	898.51
Minority Interests	--	--	15.86	107.23
Profit/ (Loss) Brought Forward after adjusting amount transferred on Amalgamation	(1,414.04)	(2,036.76)	(434.11)	(1,225.39)
Balance Available for appropriation	(655.45)	(1,414.04)	772.02	(434.11)

Your company has shown, on a consolidated basis, growth of **39.67%** in revenue and **55.68%** in profit before taxes during the year under review as compared to the corresponding previous year.

2. Dividend

No dividends have been declared for the year as the Company has carried forward loss of Rs. 655.45 lacs on a standalone basis.

3. Transfer to Reserves

No Reserve has been created during the year.

4. Business Activities

During the year the Company remained focused on the Engineering Services Outsourcing (ESO) market.

A. Engineering Services Outsourcing

In Engineering Services, the company continued to focus on the Mechanical Engineering domain and saw excellent growth in Revenues & profitability. The manpower strength of the Company, on consolidated basis, grew from 1070 employees to 1229 employees during the year.

The Engineering Services offered by the company are:

1. Design Services (CAD)

- Concept Design / Industrial Design
- 2D Drafting & Detailing
- GD & T (Geometric Dimensioning & Tolerancing) 3D Modeling
- Reverse Engineering

2. Computer Aided Analysis (CAA)

- Finite Element Modeling
- Finite Element Analysis
- Kinematics
- Nonlinear Analysis
- Dynamic Analysis
- Fatigue Analysis
- Thermal Analysis
- Modal Analysis
- Computational Fluid Dynamics

3. Manufacturing Engineering

- Generation of Manufacturing Drawings
- CNC & CMM Programming
- Tooling Design

4. Technical Publications (Tech Pub)

5. Value Analysis/Value Engineering (VAVE)

Your Company continues to grow its service offerings to the global leader in off highway & Construction equipment.

The Company has added many new customers during the year and the future prospects of business from these and other existing customers look to be promising, because of the growth in both breadth as well as depth of services offered to them.

During the year, your Company's subsidiary, Cades Digitech Pvt. Ltd., set up a dedicated Offshore Development Center (ODC) for one of the world's largest aircraft manufacturers' based out of Europe. Cades has also been able to enhance its existing engagement with a Germany based global leader for aircraft structures and aircraft manufacturing systems.

The Subsidiary of your Company, Cades Digitech Pvt. Ltd., has once again achieved the status of Preferred supplier of engineering services to the world's leading Aerospace OEM. The Company got this status after competing with many players globally including few big corporates in India.

Throughout the year, the engineering team has successfully delivered high quality solutions to its clients, through quick response times/shorter lead times, improved quality and better value-optimization.

Your Company offers diversified services in finite element analysis, design and detailing using various FEA & CAD/CAM software. We have been successful in delivering tangible benefits to the customer in the form of value engineering – weight reduction and design simplification. Our engineers have demonstrated their capability to translate ideas into products.

The Company has been approached by customers in China to offer onshore design support and the Company is exploring various options, including the setting up of 100% subsidiary to explore and pursue these business opportunities.

During the year, the Board of Directors has approved the Scheme of Arrangement for the merger of its subsidiary Cades Digitech Pvt. Ltd. into Axis Aerospace & Technology Limited (AAT), subject to necessary approvals and the subsequent merger of itself with AAT subject to necessary approvals.

B. Subsidiaries

AXIS Inc.:

AXIS-IT&T Limited has wholly owned subsidiary incorporated in the US, namely AXIS Inc.

AXIS Inc. has a wholly owned subsidiary AXIS EU Ltd. in the UK.

Cades Digitech Pvt. Ltd.:

M/s Cades Digitech Pvt. Ltd. is engaged in rendering Engineering Design Services in the Aerospace & Automotive domains. The Company is based in Bangalore. They have a wholly owned subsidiary in Canada named as Cades Technology Canada Inc.

In terms of general approval granted by the Central Government under Section 212(8) of the Companies Act, 1956, copies of Balance Sheet, Profit and Loss Account, Report of the Board of Directors and the Report of the Auditors of the subsidiary companies have not been attached with the Balance Sheet of the Company. The Company will make available these documents and related detailed information upon request by any shareholder of the Company or subsidiary interested in obtaining the same.

However, pursuant to Accounting Standard AS-21 issued by the Institute of Chartered Accountants of India, Consolidated Financial Statements presented by the Company include the financial statements of its Subsidiaries. The Financial Statements of the subsidiary companies are also available for inspection during the business hours by the shareholders at the Registered Office of the Company and also that of its respective subsidiaries. The Financial Statements of each subsidiary shall also be available on Company's website www.axisitt.com.

The following information in aggregate for each subsidiary has been disclosed in the consolidated balance sheet (a) capital (b) reserves (c) total assets (d) total liabilities (e) details of investment (except in case of investment in subsidiaries) (f) turnover (g) profit before taxation (h) provision for taxation (i) profit after taxation (j) proposed dividend.

A statement of the holding company's interest in the subsidiary companies is attached as 'Annexure A' and form part of this report.

5. Major events Subsequent to the Balance Sheet Date

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

6. Group

Pursuant to intimation from the Promoters, the names of the Promoters and entities comprising group as defined under the Monopolies and Restrictive Trade Practices (MRTP) Act, 1969 are furnished in the Annual Report as Annexure B for the purpose of the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 1997.

7. Corporate Governance

The company adheres to the SEBI prescribed corporate governance norms.

The Corporate Governance Report is attached as an Annexure to this report.

The shares of the Company are listed on the following exchanges:

1. National Stock Exchange of India Limited (NSE)

Exchange Plaza

Bandra Kurla Complex, Bandra (E), Mumbai

2. Bombay Stock Exchange Limited (BSE)

Phiroze Jeejeebhoy Towers,

Dalal Street, Fort, Mumbai.

7. Responsibility Statement of the Board of Directors

The Directors' responsibility statement setting out the compliance with the accounting and financial reporting requirements specified under Section 217(2AA) of the Companies (Amendment) Act, 2000 in respect of the financial statements is annexed to this report.

8. Directors

During the year under review there is no change in the Directors of the company.

9. Auditors

The auditors M/s Walker Chandiok & Co. retire from office at the ensuing Annual General Meeting and being eligible offer themselves for re-appointment.

10. Conservation of Energy, Research & Development Technology Absorption, Foreign Exchange earnings and Outgo

The particulars prescribed under Section (1) (e) of Section 217 of the Companies Act, 1956 read with the Companies (Disclosure of particulars in the report of Board of Directors) Rules, 1988, are as follows:

a. Conservation of Energy

The operations of your Company involve low energy consumption and are not energy intensive. However, adequate measures have been taken to minimize the consumption through improved operational methods and new technologies. The company is using CFL bulbs to conserve its electricity and energy consumption.

b. Research & Development

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.

c. Foreign Exchange Earnings and Outgoings:

Activities relating to Exports, initiatives taken to increase exports, development of new export markets for product and services, and export plans:

Axis-IT&T Ltd. is focused primarily on exports of its Engineering Design Services. The company has delivery centres in Noida, Chennai & Hyderabad, of which Noida & Hyderabad are registered as an STP (Software Technology Park) Unit.

The Company serves customers in the US, UK, & Europe.