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our hallmark remains the same.**

Great performance.



**ANNUAL REPORT 2010-2011
AXIS-IT&T LIMITED**



axis-IT&T
We Engineer Your Thoughts



The Board of Directors and honourable guests at the employee get together in Chennai

CONTENTS

NOTICE	3
DIRECTOR'S REPORT	6
DIRECTOR'S RESPONSIBILITY STATEMENT	11
STATEMENT OF INTEREST IN SUBSIDIARIES	12
REPORT ON CORPORATE GOVERNANCE	14
MANAGEMENT, DISCUSSION AND ANALYSIS OF FINANCIALS	24
RISK MANAGEMENT	25
AUDITOR'S CERTIFICATE ON CORPORATE GOVERNANCE	28
AUDITOR'S REPORT	29
BALANCE SHEET	32
PROFIT & LOSS ACCOUNT	33
CASH FLOW STATEMENT	34
SCHEDULES	35
BALANCE SHEET ABSTRACT	53
CONSOLIDATED FINANCIAL STATEMENT	54
PROXY FORM	
ATTENDANCE SLIP	

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

CORPORATE OFFICE

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 First Annual General Meeting of the members of AXIS-IT & T Limited (formerly IT&T Limited) will be held at LakshmiPat Singhania Auditorium, PHD Chambers of Commerce & Industry, PHD House, Ground Floor, 4/2, Sri Fort Road, P.O. Box – 130, New Delhi – 110016, on Monday the 1st day of August, 2011 at 2.30 p.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, 2011 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. Rohitasava Chand, who retires by rotation and, being eligible offers himself for re-appointment.
3. To appoint a Director in place of Mr. K.M. Rustagi, 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 Chandiook & 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 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.”

SPECIAL BUSINESS

5. **To consider, and if thought fit, to pass with or without modification(s) the following resolution as ordinary Resolution:**

“Resolved that, Mr. P. Hemanth Polavaram who was appointed as an additional Director of the Company by the Board of Directors on 29th January 2011, and who ceases to hold office under section 260 of the Companies Act, 1956 and who has offered his candidature for the office of Director pursuant to section 257 of the Companies Act, 1956, be and is hereby appointed a Director of the company liable to retire by rotation.”

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

-Sd-

Place : Noida
Date : 25.05.2011

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. Explanatory statement pursuant to Section 173 of the Companies Act, 1956, in respect of special business, under Item Nos. 5 as set out above, is annexed hereto and forms part of the notice.

4. The register of Members and Share transfer shall remain closed from 21st July 2011 till 1st August 2011 (both days inclusive).
5. 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 Meetings.

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

Mr. Rohitasava Chand has over forty years of experience in the IT Services Industry. He has a B. Tech from IIT Delhi and an MBA from the Katz Graduate School of Business, University of Pittsburgh, USA. He started his career in software development in 1970 in the U.S. and later moved to India to head the information technology division of Computronics India. In 1985, Mr. Rohitasava Chand ventured out on his own and through a series of acquisitions and mergers created I.I.S. Infotech Ltd., one of India's foremost software companies, of which he was the Executive Chairman. IIS was bought over by the FI Group Plc. (now Xansa Plc.), which is a UK-based multinational and Mr. Chand exited the company. Thereafter, Mr. Chand co-founded Infinity Venture Fund which had a corpus of US\$ 40 million and bought a significant stake in IT&T and contributed to its growth and diversification. Mr. Rohitasava Chand is a recipient of the I.I.T. Delhi Alumni award for outstanding contribution to national development.

Mr. K. M. Rustagi is a Chartered Accountant & Company Secretary and he also has an LLB degree. He has worked with ICRA Ltd. which is a premier credit rating agency and had been a member of its Rating committee. He has done credit ratings of around 400 companies and has handled several consultancy assignments relating to investments, acquisitions, joint ventures and taxation.

Attendance record of the Directors seeking re-election (1.4.2010 to 31.3.2011)

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. Rohitasava Chand	6	5	Present
Mr. K.M. Rustagi	6	2	Absent

At the Audit Committee Meeting

Name of the Director	No. of Held	No. of Meetings attended in person
Mr. Rohitasava Chand	4	NA
Mr. K.M. Rustagi	4	2

Explanatory Statement

As required by section 173 of the Companies Act, 1956, the following explanatory statement sets out all the materials facts relating to the business mentioned in the accompanying notice dated 25.05.11.

Item no. 5

The Board of Directors at its meeting held on 29th January 2011 had co-opted Mr. P. Hemanth Polavaram as an Additional Director to hold office upto the date of ensuing Annual General Meeting under Section 260 of the Companies Act, 1956. Due notice under Section 257 of the Companies Act, 1956 has been received from him, proposing himself for the candidature of directorship of the company.

Brief profile of Mr. P. Hemanth Polavaram

Mr. Hemanth is a qualified Chartered Accountant from the Institute of Chartered Accountants of India and qualified Company Secretary from the Institute of Company Secretaries of India. He was awarded the prestigious V. Kumar Memorial Award for scoring the highest marks in the Institute of Company Secretaries' tax law examinations. He is also a national rank holder in the company secretary examinations. He holds a Graduate in Law Degree and Honors Degree in Commerce, both from Osmania University in Hyderabad, India.

He has over sixteen years of experience structuring business models for public companies, cross-border mergers and acquisitions, setting up joint ventures between US and Indian companies and providing audit and management consultancy services. He was instrumental in fund raising activities through IPOs (Initial Public Offerings of equity shares), preferential and rights issues in India and through issue of GDRs (Global Depositary Receipts) listed on Luxemburg Stock Exchange. He possesses the experience of working for and is associated with companies listed on stock exchanges in India and outside India and been instrumental in maximizing shareholders wealth.

None of the Directors are interested in the resolution except for Mr. P. Hemanth Polavaram.

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

-Sd-

Place : Noida
Date : 25.05.2011

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 2011

I. Financial Results

Rs.Lacs

Year ended March 31	Axis-IT&T Ltd.		Consolidated for the Group	
	2011	2010	2011	2010
Total income	3750.19	2027.27	16500.00	7818.16
Total expenditure (before interest & depreciation)	2855.36	1715.00	14802.79	7017.69
Profit / (Loss) before interest, depreciation, amortization and extra ordinary items	894.83	312.27	1697.21	800.47
Interest & other finance charges	166.41	78.74	337.46	152.06
Depreciation & amortization	105.76	91.84	374.50	183.59
Provision for diminution in the value of investments or Bad Advances & Debts/ (Written Back)	—	—	—	—
Profit/ (Loss) before Tax and Extraordinary Items	622.66	141.71	985.25	464.81
Extra Ordinary Income/ (Expenses)	—	—	—	—
Profit/ (Loss) before Tax	622.66	141.71	985.25	464.81
Provision for Tax – Current & Deferred	(0.01)	(37.54)	86.75	(24.51)
Profit / (Loss) after Tax	622.67	179.25	898.51	489.32
Tax Earlier Years	—	(30.42)	—	(56.65)
Prior Period Expense Adjustments/ (Income Adjustments)	—	—	—	—
Minority Interests	—	—	107.23	164.68
Profit/ (Loss) Brought Forward	(2036.76)	(2216.02)	(1225.39)	(1550.03)
Balance Available for appropriation	(1414.09)	(2036.76)	(434.11)	(1225.39)

Your company has shown, on a consolidated basis, growth of 111% in revenue and 112% 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 current year as the Company has a carried forward loss of Rs. 1414.10 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 Engineering Design & till December 2010 on Software Development.

A. Engineering Design

In engineering design the company continued to focus on the Mechanical Engineering domain and saw excellent growth in Revenues & profitability. This resulted in increase in manpower strength of the Axis-IT&T Ltd. & its subsidiaries from 700 employees to 1070 employees during the year.

The Engineering Services offered by the company are:

1. CAD Design Services

- Concept Design
- Product Design
- 3D Modeling
- Detailing
- Tool Design
- Reverse Engineering

2. Simulation and F.E. Analysis

A comprehensive range of computer-aided engineering analysis services including FEA, CFD and optimization are offered as given below:

- Linear Static Analysis
- Dynamic Analysis
- Fatigue Analysis
- Steady State and Transient Thermal Analysis
- Non-linear Analysis
- Modal Analysis
- CFD

Caterpillar continues to be the most valuable client and the future prospects of business from the client look to be promising.

Throughout the year, the engineering team successfully delivered high quality solutions on time to its clients. Our team has shown the ability to deliver engineering solutions that improve the quality, safety and value of our clients' activities.

Your Company offers diversified services in design and detailing using Pro/Engineer, Inventor, Unigraphics and Solidworks. Ansys and other such tools are used for carrying out structural and thermal analysis. 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 head Count at Axis Hyderabad Development Center (HDC) has increased by nearly 60% during the year. This resulted in the need for Facility expansion and therefore the center was moved to a new Facility in February 2011.

B. Software Development

Your company had a contract for Software Development Services with Intervoice Inc. Since the Company has continued to focus and grow its core activities Engineering Design Services, it has exited its Software development activities in December 2010.

C. 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. :

During the year your company made further investment in Cades Digitech Pvt. Ltd. of Rs. 2,00,50,000. Due to a Preferential Issue made by Cades Digitech Pvt. Ltd. during the year, the total stake of your company stood at 51.10% in M/s Cades Digitech Pvt. Ltd. engaged in rendering Engineering Design Services in the Aerospace & Automotive domains. The Company is based in Bangalore. During the year a wholly owned subsidiary of the Cades Digitech Pvt. Ltd. was incorporated 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 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 an 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:

- I. National Stock Exchange of India Ltd.
Exchange Plaza
Bandra Kurla Complex, Bandra (E), Mumbai.

2. The Bombay Stock Exchange – Mumbai
Phiroze Jeejeebhoy Towers,
Dalal Street, Fort, Mumbai.

8. 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.

9. Directors

Mr. P.Hemant Polavaram was appointed as an Additional Director on 29.01.11. He serves as an Independent Director. He is a qualified chartered accountant from the Institute of Chartered Accountants of India and qualified company secretary from the Institute of Company Secretaries of India. He was awarded the prestigious V. Kumar Memorial Award for scoring the highest marks in the Institute of Company Secretaries' tax law examinations. He is also a national rank holder in company secretary examinations. He holds a Graduate in Law Degree and Honors Degree in Commerce, both from Osmania University in Hyderabad, India.

Mr. Pradeep Maitra & Mr. Vinay Shankar resigned from the Directorship w.e.f 17.07.2010 & 29.01.2011 respectively owing to their inability to attend Board meetings and preoccupation with other affairs.

The Board puts on record its sincere appreciation for the support, cooperation and dedicated work from both Mr. Pradeep Maitra & Mr. Vinay Shankar during their tenure as Directors of the Company.

10. Auditors

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

11. Auditors Report

The Auditors in para (x) of their CARO report on Standalone financials of the company have mentioned about the dilution of the net worth of the company.

The Company has made good progress during the year and Net worth has improved by Rs. 622.67 lacs.

12. 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 is focused primarily on exports of its Engineering Design Services. The company has a delivery centre in Noida which is registered as an STP (Software Technology Park) Unit.

The company supplies its services to companies in the US, UK & Europe.

Axis-IT&T markets its services in the US & UK through Axis Inc. & Axis EU respectively.

The marketing team in the US & UK are supported by a Business Development Team.

The Business Development team does a search of companies that could potentially require the services being offered by Axis-IT&T and generates leads for the marketing teams based in the US & UK to follow up on.

The Business Development & Marketing efforts have resulted in the acquisition of new clients by the company and the company has a growing pipeline of orders.

Axis-IT&T is also supplying engineering services to Caterpillar India, Chennai, which is a registered STP and, therefore, the work done for it falls under the category of deemed exports.

Foreign exchange earned and used:

S. No.	Particulars	2011 (Rs. Lacs)	2010 (Rs. Lacs)
1.	Foreign Exchange Earnings (accrual basis)	1896.71	870.44
2.	Foreign Exchange Outgo (Including Capital Goods & Spares)	266.47	84.68
3.	Deemed Exports	1720.26	1138.01

13. Particulars of Employees :

There were no employees covered under the provisions of Section 217(2A) of the Companies Act, 1956, read with the Company's Particulars of Employees' Rules 1975 as amended from time to time.

Acknowledgement

Your Directors wish to place on record their appreciation of the contribution made by employees at all levels. The Directors also thank your company's Clients, Vendors, Investors and Bankers, along with various government agencies, the Software Technology Park, NOIDA & Hyderabad and other industry forums and agencies like NASSCOM, for the support received during the year and look forward to their continued support in the future.

For and on behalf of the Directors

Sd/-
Pradeep Dadlani
Director

Sd/-
Kedar Nath Choudhury
Director

Place: NOIDA

Date: 25.05.2011

ANNEXURE TO THE DIRECTORS REPORT

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

- 1) That in the preparation of the Accounts for the financial year ended 31st March, 2011 the applicable accounting standards have been followed along with proper explanation relating to material departures;
- 2) They have selected such accounting policies and applied them consistently and made judgments and estimated that were reasonable and prudent so as to give true and fair view of the state of affairs of the Company at the end of the Financial Year and of the Profit or Loss of the Company for the year under review;
- 3) They have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- 4) They have prepared the Accounts for the financial year ended 31st March, 2011 on 'going concern' basis.

For and on behalf of the Directors

Sd/-
Pradeep Dadlani
Director

Sd/-
Kedar Nath Choudhury
Director

Place: NOIDA

Date: 25.05.2011

ANNEXURE TO DIRECTORS' REPORT OF AXIS-IT&T LIMITED (FORMERLY IT&T LIMITED)

A. STATEMENT PURSUANT TO SECTION 212 OF THE COMPANIES , ACT, 1956

				For financial year of the subsidiary		For previous financial year since it became a subsidiary	
Name of the Subsidiary Co.	Financial Yr. ending of the subsidiary	Number of share held	Extent of holding	Profit/(Loss) so far as it concerns themselves of Axis-IT&T Ltd. And not dealt with in the books of accounts of AXIS-IT&T Ltd. (except dealt with in F)	Profit/(Loss) so far as it concerns the members of AXIS-IT&T Ltd. And dealt within the books of accounts of AXIS-IT&T Ltd.	Profit /(Loss) so far as it concerns the members of AXIS-IT&T Ltd. And not dealt with in the books of accounts of AXIS-IT&T Ltd. (except dealt with in H)	Profit/(Loss) so far as it concerns the members of AXIS-IT&T Ltd. And dealt within the books of accounts of AXIS-IT&T Ltd.
A	B	C	D	E	F	G	H
AXIS Inc.	31.03.2011	19725	100	75.06 Lacs	Nil	58.29 Lacs	Nil
AXIS EU Ltd. (All shares held by AXIS Inc.)	31.03.2011	394637	100	14.22 Lacs	Nil	(118.38) lacs	Nil
Cades Digitech Pvt. Ltd.	31.03.2011	9067000	51.10	96.99 Lacs	Nil	195.51 lacs	Nil
Cades Technology Canada Inc. (All shares are held by Cades Digitech Pvt. Ltd.)	31.03.2011	100	51.10	2.48 lacs	Nil	Nil	Nil

For and on behalf of the Directors

Sd/-
Pradeep Dadlani
Director

Sd/-
Kedar Nath Choudhury
Director

Place: NOIDA
Date: 25.05.2011

Annexure-B

Persons consisting "Group" for the purpose of interse transfer of shares of the company under the regulation 3(l) (e) (i) fo the Securities & Exchange Board of India (Substantial Acquisition of shares and Takeovers) Regulations, 1957

S.No.	Name of the Company
1.	Jupiter Capital Pvt. Ltd.
2.	Axis Aerospace & Technologies Pvt. Ltd.
3.	Tayana Software Solutions Pvt. Ltd.
4.	Tayana Digital Pvt. Ltd.
5.	Jupiter Aviation Services Pvt. Ltd.
6.	Indian Aero Ventures Pvt. Ltd.
7.	Cades Digitech Pvt. Ltd.
8.	Indian Aero Infrastructure Pvt. Ltd.
9.	Indian Aviation Training Institute Pvt. Ltd.

Report on Corporate Governance

Corporate Governance is about commitment to values and ethics in business conduct which stems from the culture, policies, practices, voluntary adherence to ethical standards and mindset of an organization. The company's primary objective is to create and adhere to a corporate culture of fairness and transparency in actions of the management which are the key to enhancing shareholders value and discharge of social responsibility.

In accordance with Clause 49 of the Listing Agreement with the Stock Exchanges in India, the report containing the details of governance systems and processes at Axis-IT& T Ltd. is as under:

A. Board Composition:

As on March 31, 2011, the Board of Directors of the Company consisted of 6 members including one Executive Director. The members are drawn from different areas of specialization and have expertise in Law, Finance, Engineering Design & Development and General Management & Strategic Planning etc. The members of the Boards have been very active in giving advice and direction to the Company.

As at the close of the year under review, the Board of Directors of the Company consisted of:

Name of the Director	Category	Membership of Board Committees of Axis-IT&T Ltd.	No. of other Directorship*/ Committee Memberships
Mr. S.Ravi Narayanan	Chairman & CEO	Nil	2/0
Mr. Rohitasava Chand	Director (Non-Executive)	4	6/6
Mr. Kedar Nath Choudhury	Director (Non-Executive)	5	1/2
Mr. Pradeep Dadlani	Independent	5	1/2
Mr. Kailash M. Rustagi	Independent	5	1/0
Mr. P. Hemanth Polavaram	Independent	5	Nil

Details of the other Directorship & Committee membership are given in Annexure-I to this report.

Mr. P Hemanth Polavaram was appointed as Additional director w.e.f. 29.01.2011. Mr. Pradeep Maitra and Mr. Vinay Shankar resigned from the Board w.e.f. 17.07.2010 & 29.01.2011 respectively.

None of the Directors are related inter-se.

* Includes directorships held in public limited companies and subsidiaries of public limited companies and excludes directorships held in private limited companies and overseas companies.

None of directors of the Company are members of more than 10 committees across all the companies in which they are the directors and chairmen of not more than 5 such committees.

The non-executive directors were entitled to a sitting fee of Rs. 5,000/- till the Board meeting dated 29.01.2011 where it was decided to increase the sitting fee to Rs. 10,000/- for every Board Meeting attended by them. No remuneration is being paid to any of the non- executive directors apart from the sitting fees, which have been decided at a duly convened Board Meeting.

B. Board Meeting:

Normally, Board Meetings are scheduled well in advance. The CEO and the Company Secretary draft the agenda for each meeting and circulate the agenda in advance to the board members. Every board member is free to suggest inclusion of items in the agenda. Normally the Board meets once in a quarter to approve the unaudited/ audited quarterly results and other items on the agenda. Additional meetings are held if necessary.

During the financial year 2010-2011, 6 Board meetings were held on the following dates:

Sl. No.	Board Meeting Dates
1.	May 25th 2010
2.	July 17th 2010
3.	July 27th 2010
4.	October 23rd 2010
5.	December 23rd 2010
6.	January 29th 2011

C. Code of Conduct

The Board has laid down a code of conduct for all board members and senior management of the company. The code of conduct is available on the website of the company www.axisitt.com. All board members and senior management personnel have affirmed compliance with the Code of Conduct. A declaration signed by the Chief Executive Officer (CEO) to this effect is enclosed at the end of this report.

D. Committees of the Board of Directors

For effective and efficient functioning of the company, the Board of Directors has constituted the following committees:

- I. Share Transfer Committee
- II. Audit Committee
- III. Investor Grievance Committee
- IV. Remuneration Committee
- V. Finance Review Committee

I. Share Transfer Committee

The Company has appointed Karvy Computershare (P) Ltd., a SEBI recognized transfer agent (earlier a division of Karvy Consultants Limited) as the share transfer agents of the Company. Although the shares of the Company are compulsorily traded in the demat form, a Share Transfer Committee has been constituted for giving effect to the few transfer requests received for share scrips which are in physical form. The Share Transfer Committee also processes requests for dematerialization of shares held in physical form as well as the rematerialisation into physical shares. As on March 31, 2011 the Share Transfer Committee consisted of:

1. Mr. K.M. Rustagi
2. Mr. Rohitasava Chand
3. Mr. Pradeep Dadlani
4. Mr. Kedar Nath Choudhury
5. Mr. P Hemanth Polavaram
6. Ms. Shweta Agrawal Compliance officer/Secretary

During the year under review the meetings were generally chaired by Mr. K.M. Rustagi, Independent director. The Committee meetings were held on May 25, 2010, July 27, 2010, October 23, 2010 and January 29, 2011.

The Company ensures that the shares are transferred within 15 days of their being lodged for transfer. All the complaints received during the year were resolved to the satisfaction of the shareholders.

II. Audit Committee

The Company has constituted an Audit Committee consisting of 4 non- executive directors. The Committee is generally headed by Mr. Kailash M. Rustagi who is a fellow member of the Institute of Chartered Accountants of India and an Associate Member of the Institute of Company Secretaries of India.

The Primary Functions of this committee are:

- a) Reviewing, with the Management, performance of Statutory and internal auditors, adequacy of the Internal Control Systems.
- b) Review of quarterly results/annual results of the Company before recommending the same to the Board of Directors,
- c) Implementation of various audit recommendations.
- d) Review of the Management discussion & analysis of financial conditions and results of operation.
- e) Review of the statement of significant related party transactions.
- f) Recommending to the Board the appointment, re-appointment and, if required, the replacement or removal of the statutory auditors and fixation of audit fees.

The Committee consisted of the following members as on March 31, 2011:

- Mr. Kailash M. Rustagi (Chairman)
- Mr. Pradeep Dadlani
- Mr. Kedar Nath Choudhury
- Mr. P Hemanth Polavaram
- Ms. Shweta Agarwal Compliance officer/Secretary

The Committee met on May 25, 2010, , July 27, 2010, October 23, 2010 and January 29, 2011.

III. Investor Grievance Committee

The Board has also constituted an Investor Grievance Committee to address the various grievances received from the investors. The Committee consisted of the following members as on March 31, 2011

1. Mr. K.M. Rustagi
2. Mr. Rohitasava Chand
3. Mr. Pradeep Dadlani
4. Mr. Kedar Nath Choudhury
5. Mr. P Hemanth Polavaram
6. Ms. Shweta Agarwal Compliance officer/Secretary

The Committee is responsible for ensuring that the Investor Grievance is being addressed properly and on time.

The committee meetings are generally chaired by Mr. K.M. Rustagi. During the year the committee met on May 25, 2010, , July 27, 2010, October 23, 2010 and January 29, 2011. There was 1 complaint received during the year which was resolved satisfactorily in time.

IV. Remuneration Committee

As of March 31, 2011, the Remuneration Committee comprised of the following Directors:

- Mr. K.M. Rustagi
- Mr. Rohitasava Chand
- Mr. Pradeep Dadlani
- Mr. Kedar Nath Choudhury
- Mr. P Hemanth Polavaram
- Ms. Shweta Agarwal Compliance officer/Secretary

There was no meeting of the Remuneration Committee during the year ended 31st March 2011.

V. Finance Review Committee

As of March 31, 2011, the Finance Review Committee consisted of :

1. Mr. K.M. Rustagi
2. Mr. Rohitasava Chand
3. Mr. Pradeep Dadlani
4. Mr. Kedar Nath Choudhury
5. Mr. P Hemanth Polavaram
6. Ms. Shweta Agarwal Compliance officer/Secretary

There was no meeting of the Finance Review Committee during the year ended 31st March 2011.

Particulars of General Meeting

The particulars of the last three Annual General Meetings are:

Nature of meeting	Date and time	Venue of the meeting	Special Resolutions passed
Annual General Meeting	September 18, 2008; 3.30 p.m.	Lakshmipat Singhanian Auditorium, PHD Chambers of Commerce & Industry, PHD House, Ground Floor, 4/2, Sri Fort Road, P.O. Box – 130, New Delhi – 110016	Appointment of Mr. Rohitasava Chand as President & CEO of the Company.
Annual General Meeting	August 14, 2009; 3.30 p.m.	Lakshmipat Singhanian Auditorium, PHD Chambers of Commerce & Industry, PHD House, Ground Floor, 4/2, Sri Fort Road, P.O. Box – 130, New Delhi – 110016	Increase in Authorised Capital from Rs. 14 crores to Rs. 37 Crores.
Annual General Meeting	August 27, 2010; 3.30 p.m.	Lakshmipat Singhanian Auditorium, PHD Chambers of Commerce & Industry, PHD House, Ground Floor, 4/2, Sri Fort Road, P.O. Box – 130, New Delhi – 110016	Appointment of Mr. S. Ravinarayanan as CEO of the company and approval of his remuneration.

- (i) One special resolution passed last year through postal ballot regarding extending corporate guarantees to the Banks for loan being given to our subsidiary , the result of which was declared on 15th September 2010.–

Result of Voting:

Number of Postal Ballot Forms received	14
Votes in favour of the Resolution	12142508
Votes against the Resolution	100
Invalid votes	1
Total Votes polled	12142608

The company had appointed Mr. Anant Khamankar of M/s Anant B Khamankar & Co., Company Secretaries, as the Scrutinizer for conducting the postal ballot process in a fair and transparent manner.

E. The Details of Attendance at the General Meetings, Board Meeting and Various Committees Meeting during the period April 1, 2010 to March 31, 2011

Name of the Director	Board	Share Transfer Committee	Audit Committee	Investor Grievances Committee	Finance Review Committee	Remuneration Committee	Attendance at AGM
	[6]	[4]	[4]	[4]	[0]	[0]	
Mr. S. Ravinarayanan	5	2	2	2	N.A.	N.A.	Present
Mr. Rohitasava Chand	5	3	N.A.	3	N.A.	N.A.	Present
Mr. Pradeep Maitra	1	N.A.	1	N.A.	N.A.	N.A.	NA
Mr. Vinay Shankar	2	N.A.	2	N.A.	N.A.	N.A.	Absent
Mr. K.M. Rustagi	2	2	2	2	N.A.	N.A.	Absent
Mr. Pradeep Dadlani	6	1	4	1	N.A.	N.A.	Present
Mr. Kedar Nath Choudhury	6	1	1	1	N.A.	N.A.	Present
Mr. P. Hemanth Polavaram	1	1	1	1	N.A.	N.A.	NA

Mr. P Hemanth Polavaram was appointed as Additional director w.e.f. 29.01.2011. Mr. Pradeep Maitra and Mr. Vinay Shankar resigned from the Board w.e.f. 17.07.2010 & 29.01.2011 respectively. All the committees were reconstituted on 29.01.2011.

F. Remuneration of Directors

During the year Mr. S. Ravinarayanan, Chairman & CEO was eligible for the following remuneration:

Basic remuneration of Rs. 1,50,000 (Rupees One Lakh Fifty Thousand only) per month with an increase upto 25% each year, subject to the provisions of Schedule XIII of the Companies Act, 1956. He was also entitled for the following :

- Companies contribution of 12% of salary to Provident Fund.
- Gratuity payable at the rate of half a month's salary for each completed year of service to be calculated as per the norms prescribed by the Payment of Gratuity Act, 1972 and the Rules framed there under."

No sitting fees was paid for attending the meeting of Board of Directors or committee thereof.

The non-executive directors are paid sitting fees of Rs. 5,000/- for each board meeting attended by them. The sitting fee was increased to Rs. 10,000/- by the Board in their meeting held on 29.01.2011. None of the non-executive director holds shares in the company. The Company has not issued any stock options during the year under consideration and none of the directors hold any stock options of the company as at 31st March 2011.

H. Subsidiary Companies

The Company has one Indian subsidiary CADES Digitech Private Limited, a company based at Bangalore which is engaged in rendering Engineering Design Services in the domain of Aerospace & Automotive. It has 51.10 % stake in its subsidiary.

The Company has 3 foreign subsidiaries which are as under :

Axis Inc., a wholly owned subsidiary of Axis - IT&T Ltd.

Axis Eu Ltd., a wholly owned subsidiary of Axis Inc.

Cades Technology Canada Inc., a wholly owned subsidiary of Cades Digitech Pvt. Ltd.

I. Disclosures**Material Contracts/ Related Party Transaction**

The Company had taken an Inter Corporate Deposite (ICD) of Rs. 6.73 crores and received Rs. 3.13 crores from Axis Aerospace & Technologies Pvt. Ltd. The ICD was taken on such terms & conditions which are not prejudicial to the interest of the company.

Transactions with related parties are disclosed in Note No. 10(vi) of Schedule 19 to the financial statement in the Annual Report.

Compliances

During the last three years, no penalties or strictures have been imposed on the Company by the Stock Exchange or SEBI or any other statutory authorities, on matters related to capital markets. The Company has complied with applicable rules and regulations prescribed by Stock Exchanges, SEBI or any other statutory authority relating to the capital markets. All Returns/ Reports were filed with in stipulated time with Stock Exchanges/ other authorities.

Whistle Blower Policy

The Management has framed a policy that provides a formal mechanism for all employees of the Company to approach the Management of the Company (Audit Committee in case where the concern involves the Senior Management) and make protective disclosures to the Management about unethical behavior, actual or suspected fraud or violation of the Company's Code of Conduct or ethics policy. The Whistle Blower Policy is an extension of the Company Code of Conduct, which requires every employee to promptly report to the Management any actual or possible violation of the Code or an event he is aware of, that could affect the business or reputation of the Company. The disclosures reported are addressed in the manner and within the time frames prescribed in the Policy. The Company has not denied access to the Top Management to any employee of the Company. With these measures, the company would be in compliance with the proposed Corporate Governance Clause of the Listing Agreements with Stock Exchanges in India and help to make the company a better and more ethical entity to work for and to work with.

Adoption of the Mandatory & Non Mandatory Requirements

The company is continuously complying with all the mandatory requirements of clause 49 of the Listing Agreement with the Stock Exchanges. The management of the company endeavors to satisfy each of the non-mandatory requirements detailed in the aforesaid listing agreement.

J. Means of Communication

The Corporate Governance Code has been applicable to the Company since December, 2000, when the shares of the Company were listed on various Stock Exchanges. Accordingly, the Company has been publishing its Quarterly un-audited results for each quarter in the newspapers (Economic Times and Navbharat Times) as per the requirements of the listing agreement. The financial and other informations are also available at company's website: www.axisitt.com

K. General Shareholder Information

a) AGM

Date : 1st August 2011

Time : 2.30 p.m.

Place : Lakshmipat Singhania Auditorium, PHD Chambers of Commerce & Industry, PHD House, Ground Floor, 4/2, Sri Fort Road, P.O. Box – 130, New Delhi – 110016

b) Financial Year 2010-2011

c) Date of Book Closure 21st July 2011 to 1st August 2011

d) Dividend Payment Date N.A.

e) Listing on Stock Exchanges

Name and Address

The Stock Exchange, Mumbai (BSE)

PJ. Towers, Dalal Street,
Fort, Mumbai – 400001

National Stock Exchange of India Ltd. (NSE)

Exchange Plaza, Bandra – Kurla,
Complex, Bandra (East),
Mumbai, 400051

f) Stock Code

The Stock Exchange, Mumbai (BSE)

AXISITNT
532395

National Stock Exchange of India Ltd. (NSE)

AXIS-IT&T

g) Market Price Data

Highest and lowest price during each month in the financial year on the National Stock Exchange of India Limited and The Stock Exchange, Mumbai :

Months	National Stock Exchange (NSE)		Stock Exchange, Mumbai (BSE)	
	High	Low	High	Low
April, 2010	81.50	60.60	81.60	61.00
May, 2010	72.90	59.00	74.50	58.95
June, 2010	70.00	60.10	70.55	61.65
July, 2010	76.50	62.10	76.90	62.60
August, 2010	82.30	62.55	83.90	63.30
September, 2010	147.45	76.15	146.20	77.00
October, 2010	124.00	102.00	123.90	101.60
November, 2010	112.00	89.25	112.00	89.15
December, 2010	104.30	76.50	105.00	76.30
January, 2011	98.00	81.10	97.40	81.45
February, 2011	88.00	67.35	84.50	68.70
March, 2011	80.00	62.00	78.00	65.15

h) International Securities Identification Number : INE555B01013

i) Registrar and Transfer Agent

Name & Address : M/s Karvy Computershare Private Limited,
46, Avenue 4, Street 1,
Banjara Hills,
Hyderabad 500034

Telephone : 040-23312454
040-23320251/23049

Fax : 040-23311968

j) Share Transfer System

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

Pursuant to the Clause 47(c) of the Listing Agreement with the Stock Exchange, Certificates on quarterly basis confirming due compliance of share transfer formalities by the Company, Certificate for timely dematerialization of shares as per SEBI(Depositories and Participants) Regulations, 1996 and Secretarial Audit Report for reconciliation fo the share capital of the Company obtained from a practicing Company Secretary has been submitted to Stock Exchange within stipulated time.

k) Distribution of shareholding

i. Distribution of shareholding as on March 31, 2011 :

No. of shares	Holding	% to Capital	No. of accounts	% to total accounts
1-5000	849652	4.26	4749	91.20
5001-10000	264973	1.32	171	3.28
10001-20000	330373	1.67	114	2.19
20001-30000	246755	1.24	49	0.94
30001-40000	147882	0.74	21	0.41
40001-50000	188809	0.94	20	0.38
50001-100000	628271	3.14	43	0.83
100001 and above	17303766	86.69	40	0.77
Grand Total	19960481	100	5207	100

ii. Categories of Shareholders as on March 31, 2011

Category	No. of shares	Percentage
Promoters Group – Indian	12142100	60.83%
Indian Public	4885641	24.48%
Bodies Corporate	2801947	14.04%
NRIs/ OCBs/ Foreign Nationals	122875	0.62%
Others	7918	0.03%
Total	1,99,60,481	100 %

l) Dematerialization of shares and liquidity

The shares of the company are partly in electronic form and partly in physical form. The shares in electronic form are available for trading in depository system of both National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL). As on March 31, 2011, the position of Dematerialization is as follow:

	No. of Shares	% of Total Issue Capital
Held in Dematerialized form in CDSL	1955248	9.8
Held in Dematerialized form in NSDL	17746877	88.91
Held in Physical form	258356	1.29
	Total	100.00 %

m) Outstanding GDRs/ADRs/Warrants or any Convertible Instruments, conversion date and likely impact on equity:

As on March 31, 2011, the Company did not have any outstanding GDRs/ADRs/Warrants or any convertible instruments.

n) Plant Locations

In view of the nature of the Company's business Engineering Design Services the Company operates from various offices in India and abroad but does not have any manufacturing plant.

o) Address for correspondence

Registered Office
A-264, Second Floor
Defence Colony
New Delhi - 110024

Corporate Office
Axis-IT & T Limited
(Formerly IT & T Limited)
D-30, Sector – III
NOIDA
Uttar Pradesh

For and on behalf of the Directors

Sd/-
Pradeep Dadlani
Director

Sd/-
Kedar Nath Choudhury
Director

Place: NOIDA
Date: 25.05.2011

Annexure - DETAILS OF OTHER DIERCTORSHIPS HELD

Name of the Director	No. of other Directorship*/ Committee Memberships	Directorship	Committee Membership
Mr. S.Ravi Naryananan	2/0	Cades Digitech Private Limited Enertec Controls Limited	-
Mr. Rohitasava Chand	6/6	Cyber Media Limited Cades Digitech Private Limited Khandwala Securities Limited Axis Cogent Global Limited British Motor Car Co. Limited Saboo Coatings Limited	Audit Committee Remuneration Committee Audit Committee Remuneration Committee Compenstaion Committee Shareholders Committee
Mr. Kedar Nath Choudhury	1/2	Cades Digitech Private Limited	Audit Committee Remuneration Committee
Mr. Pradeep Dadlani	1/2	Cades Digitech Private Limited	Audit Committee Remuneration Committee
Mr. Kailash M. Rustagi	1/0	Elite Stock Management Limited	-
Mr. P. Hemanth Polavaram	Nil	-	-

MANAGEMENT DISCUSSION & ANALYSIS OF FINANCIAL CONDITIONS AND RESULTS OF OPERATIONS

Overview

The financial statements have been prepared in compliance with the requirements of the Companies Act, 1956, and Generally Accepted Accounting Principles (GAAP) in India. There are no material departures for prescribed accounting standards in the adoption of the accounting standards. The management of your Company accepts responsibility for the integrity and objectivity of these financial statements, as well as for various estimates and judgments used therein. The estimates and judgments relating to the financial statements have been made on a prudent and reasonable basis, in order that the financial statements reflect in a true and fair manner, the form and substance of transactions, and reasonably present the company's state of affairs and profits for the year.

A. Financial Condition

1. Share Capital

There has been no change in the paid up share capital during the year under consideration.

2. Fixed Assets (WDV)(Rs. Lacs)

Particulars	March 31, 2011	March 31, 2010
Land	22.64	22.64
Buildings	138.13	140.83
Computer Systems	42.65	49.14
Furniture Fixtures	32.71	10.36
Office Equipment	29.11	25.02
Vehicles	7.64	11.15
Electrical Installations	0.26	0.38
Intangible Assets	147.42	34.23
Goodwill on Amalgamation	-	9.36

3. Investment

The Company has made an investment of Rs. 179.03 lacs in the share capital of Axis Inc. and Rs. 200.50 lacs in Cades Digitech Pvt. Ltd., (subsidiaries) and 199591 bonus shares of Rs. 10/- each were issued to the company by Axis Cogent Global Ltd.. The Company has given share application money amounting to Rs. 49 lacs in Axis Cogent Global Ltd. towards rights issue, the shares against which are yet to be allotted.

4. Cash and cash equivalents

The bank balances in India include both rupee accounts and foreign currency accounts.

5. Loans and advances

The company does not extend loans to employees. However, to meet the short term cash flow needs, the employee may be extended an advance against salary which is adjusted in the next month's salary. However, this is not significant.

B. Results of operations**Adequacy of Internal Controls**

AXIS-IT & T Limited has a proper and adequate system of internal controls to ensure that all assets are safe guarded. The Internal control system is supplemented by an extensive program of internal audits reviewed by the management and documented policies, guidelines and procedures. The Audit Committee of the board frequently reviews the internal control systems and from time-to-time the committee suggests changes in methods, policies and procedure on current business trends.

Human Resources Development

Axis-IT & T Limited is committed to the welfare of its people and their families and to improve the quality of their lives.

The company provides continuous learning and personal development opportunities by providing regular training to its employees.

RISK MANAGEMENT REPORT

The management cautions readers that the risks outlined below are not exhaustive and are for information purposes only. Investors are requested to exercise their own judgment in assessing various risks associated with the company and to refer to discussions of some of these risks in the company's earlier Annual Report and Securities and Exchange Board of India filings.

In a dynamic industry such as Engineering Design Services, risk is an inherent aspect of business. The impact of the turbulent socio-political and economic events in the past year on businesses bears testimony to this.

A comprehensive and integrated risk management framework forms the basis of all the de-risking efforts of the company. Prudential norms aimed at limiting exposures are an integral part of this framework. Formal reporting and control mechanisms ensure timely information availability and facilitate proactive risk management. These mechanisms are designed to cascade down to the level of line managers so that risk at the transactional level are identified and steps are taken towards mitigation in a decentralized fashion. The Board of Directors is responsible for monitoring risk levels on various parameters and the senior management group ensure implementation of mitigation measures, if required. The audit committee provides the overall direction on the risk management policies.

During the year your Company was exposed to the risks mentioned below:

1. Business portfolio risks
 - Service concentration
 - Client concentration
 - Geographical concentration
 - Technology concentration
2. Financial risks
 - Foreign currency rate fluctuations
 - Liquidity
 - Investments
 - Security of Debt
3. Legal and statutory risks
 - Contractual liabilities
 - Statutory compliance
4. Organization / management risks
 - Leadership development
 - Human resources management

- Process maturity
- Internal control system
- Disaster prevention & recovery
- Technological obsolescence

The management is constantly endeavoring to reduce the impact of risks enumerated above through the adoption of prudent measures. The acquisition of a majority stake in Cades Digitech Pvt. Ltd. was a step in the direction of mitigation of Business Portfolio risk.

For and on behalf of the Directors

Sd/-
Pradeep Dadlani
Director

Sd/-
Kedar Nath Choudhury
Director

Place: NOIDA

Date: 25.05.2011

Declaration on the Compliance of the Company's Code of Conduct

To,

The Shareholders,
Axis-IT&T Ltd.
A-264, 2nd Floor, Defence Colony,
New Delhi

The Company has framed a specific Code of Conduct for the Members of the Board of Directors and the Senior Management Personnel of the Company pursuant to Clause 49 of the Listing Agreement with Stock Exchanges to further strengthen Corporate Governance practice in the Company.

All the members of the Board and Senior Management Personnel of the Company have affirmed due observance of the said code of conduct in so far as it is applicable to them and there is no non-compliance thereof during the year ended 31st March 2011.

Date : 25.05.2011

S. Ravinarayanan
CEO
Axis-IT&T Ltd.

Auditors' Certificate on compliance with the conditions of Corporate Governance under Clause 49 of the Listing Agreement

**To,
The Members of AXIS-IT&T Limited.**

We have examined the compliance of conditions of Corporate Governance by Axis-IT&T Limited ('the Company') for the year ended 31 March, 2011, as stipulated in clause 49 of the Listing Agreement of the said Company with the stock exchange.

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

In our opinion and to the best of our information and according to the explanations given to us, and the representations made by the Directors and the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in clause 49 of the above mentioned Listing Agreement.

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

**For Walker, Chandiok & Co
Chartered Accountants
Firm Registration No.: 001076N**

- Sd -

per Aashish Arjun Singh
Partner
Membership No. 210122
Noida
25 May 2011

Auditor's Report

To,
The Members of AXIS-IT&T Limited.

1. We have audited the attached Balance Sheet of AXIS-IT&T Limited, (the 'Company') as at 31 March 2011, and also the Profit and Loss Account and the Cash Flow Statement for the year ended on that date, annexed thereto (collectively referred as the 'financial statements'). These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order 2003 (the 'Order') (as amended), issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Companies Act, 1956 ('the Act'), we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
4. Further to our comments in the Annexure referred to above, we report that:
 - a. We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - b. In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
 - c. The financial statements dealt with by this report are in agreement with the books of account;
 - d. On the basis of written representations received from the Directors, as on 31 March 2011 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31 March 2011 from being appointed as a director in terms of clause (g) of sub-section (1) of Section 274 of the Act;
 - e. In our opinion and to the best of our information and according to the explanations given to us, the financial statements dealt with by this report comply with the accounting standards referred to in the Subsection (3C) of Section 211 of the Act and the rules framed there under and give the information required by the Act, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, in the case of:
 - i) the Balance Sheet, of the state of affairs of the Company as at 31 March 2011;
 - ii) the Profit and Loss Account, of the profit for the year ended on that date; and
 - iii) the Cash Flow Statement, of the cash flows for the year ended on that date.

For Walker, Chandiook & Co
Chartered Accountants
Firm Registration No: 001076N

- Sd -

per Aashish Arjun Singh
Partner
Membership No. 210122

Noida
25 May 2011

Annexure to the Auditors' Report of even date to the members of Axis-IT&T Limited, on the financial statements for the year ended 31 March 2011.

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

- x) *In our opinion, the Company's accumulated losses at the end of the financial year are more than fifty percent of its net worth.* Further the Company has not incurred cash losses during the financial year covered by our audit and the immediately preceding financial year.
- xi) In our opinion, the Company has not defaulted in repayment of dues to any bank. The Company has no dues payable to a financial institution or debenture holders during the year.
- xii) The Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities. Accordingly, the provisions of clause 4(xii) of the Order are not applicable.
- xiii) In our opinion, the Company is not a chit fund or a nidhi/ mutual benefit fund/ society. Accordingly, the provisions of clause 4(xiii) of the Order are not applicable.
- xiv) In our opinion, the Company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provisions of clause 4(xiv) of the Order are not applicable.
- xv) In our opinion, the terms and conditions on which the Company has given a guarantee for loan taken by others from bank or financial institutions are not, prima facie, prejudicial to the interest of the Company.
- xvi) In our opinion, the Company has applied the term loans for the purpose for which the loans were obtained.
- xvii) In our opinion, no funds raised on short-term basis have been used for long-term investment.
- xviii) The Company has not made any preferential allotment of shares to parties or companies covered in the register maintained under Section 301 of the Act. Accordingly, the provisions of clause 4(xviii) of the Order are not applicable.
- xix) The Company has neither issued nor had any outstanding debentures during the year. Accordingly, the provisions of clause 4(xix) of the Order are not applicable.
- xx) The Company has not raised any money by public issues during the year. Accordingly, the provisions of clause 4(xx) of the Order are not applicable.
- xxi) No fraud on or by the company has been noticed or reported during the period covered by our audit.

For Walker, Chandio & Co
Chartered Accountants
Firm Registration No: 001076N

- Sd -

per Aashish Arjun Singh
Partner
Membership No. 210122

Noida
25 May 2011

BALANCE SHEET AS AT MARCH 31, 2011

	Schedule	As at 31 March 2011 Rs.	As at 31 March 2010 Rs.
SOURCES OF FUNDS			
SHAREHOLDERS' FUNDS			
Capital	1	99,955,705	99,955,705
Reserves and surplus	2	298,129,199	298,129,199
		398,084,904	398,084,904
LOAN FUNDS			
Secured loans	3	95,771,663	52,102,308
Unsecured loan	4	129,000,000	93,000,000
		224,771,663	145,102,308
		622,856,567	543,187,212
APPLICATION OF FUNDS			
FIXED ASSETS			
Gross block	5	107,663,961	85,344,456
Less: Depreciation/amortisation		65,606,876	55,030,444
Net block		42,057,085	30,314,012
INVESTMENTS	6	265,567,452	234,713,811
DEFERRED TAX ASSET, NET	7	1,261,122	1,259,922
CURRENT ASSETS, LOANS AND ADVANCES			
Sundry debtors	8	148,840,685	65,024,699
Cash and bank balances	9	9,340,484	5,077,349
Unbilled revenue		1,766,278	125,000
Other current assets	10	15,209	73,572
Loans and advances	11	62,215,183	34,807,397
		222,177,839	105,108,017
LESS: CURRENT LIABILITIES AND PROVISIONS			
Liabilities	12	44,488,478	26,969,650
Provisions	13	6,684,349	7,510,523
		51,172,827	34,480,173
NET CURRENT ASSETS		171,005,012	70,627,844
ACCUMULATED DEFICIT IN THE PROFIT AND LOSS ACCOUNT		141,408,896	203,676,623
MISCELLANEOUS EXPENDITURE (to the extent not written off or adjusted)	14	1,557,000	2,595,000
		622,856,567	543,187,212
NOTES TO THE FINANCIAL STATEMENTS	19		

The schedules referred to above form an integral part of the financial statements.
This is the Balance Sheet referred to in our report of even date.

For **Walker, Chandio & Co**

Chartered Accountants

- Sd -
per **Aashish Arjun Singh**
Partner

Noida
25 May 2011

For and on behalf of the Board of Directors

- Sd -
Pradeep Dadlani
Director

- Sd -
Kedar Nath Choudhury
Director

- Sd -
Shweta Agrawal
Company Secretary

Noida
25 May 2011

PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED MARCH 31, 2011

	Schedule	As at 31 March 2011 Rs.	As at 31 March 2010 Rs.
INCOME			
Engineering Design Services		341,444,483	152,613,673
Software services exports		30,115,538	48,894,046
		371,560,021	201,507,719
OTHER INCOME	15	3,459,333	1,220,155
		375,019,354	202,727,874
EXPENDITURE			
Personnel expenses	16	184,216,513	112,883,358
Operating, Administrative & Selling expenses	17	100,280,972	58,615,728
Depreciation and amortization	5	10,576,433	9,184,229
Finance charges	18	16,640,909	7,873,839
Miscellaneous expenditure written off		1,038,000	-
		312,752,827	188,557,154
PROFIT BEFORE TAX		62,266,527	14,170,720
TAX ESPENS			
- Current Tax		1,293,515	-
- Minimum alternate tax credit		(1,293,515)	-
- Deferred tax charge/(credit)			
Current year		(1,200)	(712,252)
Prior year		-	(2,366,093)
- Tax (refund) earlier year		-	(675,973)
PROFIT AFTER TAXATION		62,267,727	17,925,038
Accumulated deficit brought forward from the previous year		(203,676,623)	(221,601,661)
ACCUMULATED DEFICIT CARRIED TO BALANCE SHEET		(141,408,896)	(203,676,623)
EARNINGS PER SHARE			
(Refer note 4 on schedule 19)			
- Basic and diluted		3.12	0.90

NOTES TO THE FINANCIAL STATEMENTS

19

The schedules referred to above form an integral part of the financial statements.

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

For **Walker, Chandio & Co**

Chartered Accountants

- Sd -
per **Aashish Arjun Singh**
Partner

Noida
25 May 2011

For and on behalf of the Board of Directors

- Sd -
Pradeep Dadlani
Director

- Sd -
Shweta Agrawal
Company Secretary

Noida
25 May 2011

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2011

	Year Ended 31 March 2011 Rs.	Year Ended 31 March 2010 Rs.
A Cash Flows from Operating Activities		
Net profit before tax	62,266,527	14,170,720
Adjustments for:		
Depreciation and amortisation	10,576,433	9,184,229
Profit on sale of fixed assets	-	(24,000)
Unrealised foreign exchange gain	(1,483,097)	(1,218,587)
Provision for doubtful debts	-	1,089,339
Interest expense	15,172,838	7,310,437
Interest income on bank deposits	(117,598)	(467,945)
Interest income on income-tax refund	(116,230)	(283,459)
Miscellaneous expenditure written off	1,038,000	(188,434)
Liability no longer required written back	(2,785,028)	-
Provision for employee benefits	1,302,589	2,149,162
Operating profit before working capital changes	85,854,434	31,721,462
Movements in working capital		
(Increase) in trade and other receivables	(96,386,552)	(44,870,805)
Increase in trade and other payables	18,175,093	7,587,581
Cash generated/(used) in operations	7,642,975	(5,561,762)
Direct taxes paid	(14,820,809)	(7,176,391)
Net cash from/(used in) operating activities (A)	(7,177,834)	(12,738,153)
B Cash flows from investing activities		
Purchase of fixed assets	(22,319,505)	(8,829,384)
Sale of fixed assets	-	24,000
Investment in subsidiaries	(42,853,641)	(108,517,829)
Reduction in purchase consideration	12,000,000	-
Interest received on bank deposits	117,598	1,054,956
Net cash from/(used) in investing activities (B)	(53,055,548)	(116,268,257)
C Cash flows from financing activities		
Proceeds of borrowings	146,709,197	136,559,952
Public issue expenses	-	(2,595,000)
Repayment of borrowings	(67,039,842)	(7,520,115)
Interest paid	(15,172,838)	(4,103,465)
Net cash from in financing activities (C)	64,496,517	122,341,372
Net increase/(decrease) in cash and cash equivalents (A+B+C)	4,263,135	(6,665,038)
Cash and cash equivalents as at beginning of the year	5,077,349	11,742,387
Cash and cash equivalents as at end of the year	9,340,484	5,077,349

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

For **Walker, Chandio & Co**

Chartered Accountants

- Sd -
per **Aashish Arjun Singh**
Partner

Noida
25 May 2011

For and on behalf of the Board of Directors

- Sd -
Pradeep Dadlani
Director

- Sd -
Kedar Nath Choudhury
Director

- Sd -
Shweta Agrawal
Company Secretary

Noida
25 May 2011

SCHEDULES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2011

	As at 31 March 2011 Rs.	As at 31 March 2010 Rs.
SCHEDULE 1		
CAPITAL		
Authorised capital		
72,000,000 (31 March 2010: 72,000,000) equity shares of Rs. 5 each	360,000,000	360,000,000
100,000 (31 March 2010: 100,000) preference shares of Rs. 100 each	10,000,000	10,000,000
	<u>370,000,000</u>	<u>370,000,000</u>
Issued capital		
20,011,581 (31 March 2010: 20,011,581) equity shares of Rs. 5 each fully paid up	<u>100,057,905</u>	<u>100,057,905</u>
Subscribed and paid up		
19,960,481 (31 March 2010: 19,960,481) equity shares of Rs. 5 each fully paid	99,802,405	99,802,405
Add: Forfeited shares (amount originally paid Rs. 3 per share on 51,100 equity shares)	153,300	153,300
	<u>99,955,705</u>	<u>99,955,705</u>
Of the above 12,142,100 (31 March 2010 - 12,142,100) Equity Shares of Rs. 5 each are held by Tayana Digital Private Limited, the Holding Company.		
SCHEDULE 2		
RESERVES AND SURPLUS		
Securities premium account	<u>298,129,199</u>	<u>298,129,199</u>
SCHEDULE 3		
SECURED LOANS		
From banks		
Vehicle loan		
(Secured against hypothecation of the specific vehicle) (Principal repayment due within one year Rs. 82,911 (2010 - Rs. 443,279))	112,466	542,356
Working capital loan from Yes Bank Ltd	-	21,559,952
(Secured against equitable mortgage on land & building of the Company situated at D-30, Sector 3, Noida and exclusive first charge on current assets)		
PCFC Limit from Yes Bank Ltd	51,909,197	-
(Secured against equitable mortgage on land & building of the Company situated at D-30, Sector 3, Noida and exclusive first charge on current assets)		
Medium term loan from Yes Bank Ltd	43,750,000	30,000,000
(Secured by deposit of title deeds relating to the Company's property situated at D-30, Sector - 3, Noida) (Principal repayment due within one year Rs. 25,000,000 (2010 - Rs. 10,013,389))		
	<u>95,771,663</u>	<u>52,102,308</u>
SCHEDULE 4		
UNSECURED LOAN		
Loan from a body corporate	<u>129,000,000</u>	<u>93,000,000</u>

SCHEDULES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2011

SCHEDULE- 5

FIXED ASSETS

(Amount in Rs.)

Asset Category	Gross block				Depreciation and amortisation				Net block	
	As at 1 April 2010	Additions during the year	Deletions during the year	As at 31 March 2011	As at 1 April 2010	Charge for the year	Deletions during the year	As at 31 March 2011	As at 31 March 2011	As at 31 March 2010
Tangible assets										
Land- freehold	2,264,437	-	-	2,264,437	-	-	-	-	2,264,437	2,264,437
Office building	16,581,724	-	-	16,581,724	2,498,337	270,282	-	2,768,619	13,813,105	14,083,387
Furniture and fixtures	6,776,484	2,528,916	-	9,305,400	5,740,265	293,838	-	6,034,103	3,271,297	1,036,219
Office equipments	6,035,395	1,016,202	-	7,051,597	3,533,603	606,517	-	4,140,120	2,911,477	2,501,792
Computers	16,142,677	2,100,929	-	18,243,606	11,228,397	2,749,960	-	13,978,357	4,265,249	4,914,280
Vehicles	1,756,330	-	-	1,756,330	640,940	351,266	-	992,206	764,124	1,115,390
Electrical installations	2,059,794	-	-	2,059,794	2,021,223	12,931	-	2,034,154	25,640	38,571
Intangible assets										
Goodwill on amalgamation	16,445,348	-	-	16,445,348	15,508,798	936,550	-	16,445,348	-	936,549
Non compete fees	1,971,000	-	-	1,971,000	1,971,000	-	-	1,971,000	-	-
Software	15,311,267	16,673,458	-	31,984,725	11,887,880	5,355,089	-	17,242,969	14,741,756	3,423,387
Total	85,344,456	22,319,505	-	107,663,961	55,030,443	10,576,433	-	65,606,876	42,057,085	30,314,012
Previous year	77,455,497	8,829,385	940,425	85,344,456	46,786,640	9,184,229	940,425	55,030,444	30,314,012	

SCHEDULES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2011

	As at 31 March 2011 Rs.	As at 31 March 2010 Rs.
SCHEDULE 6		
INVESTMENTS		
Long-term investments - Unquoted at cost		
Subsidiary companies		
Axis Inc., U.S.A. 19,725 (31 March 2010: 17,298) common stock	148,906,359	131,002,718
Cades Digitech Private Limited 9,067,000 (31 March 2010: 8,142,000) equity shares of Rs. 10 each fully paid up	105,847,435	97,797,435
Other than subsidiaries [Trade]		
Axis Cogent Global Limited (formerly known as IT&T Global Services Limited)* 447,254 (31 March 2010: 247,663) equity shares of Rs. 10 each fully paid up	10,813,658	5,913,658
Other than subsidiaries [Non trade]		
Datum Technology Limited 50,000 (31 March 2010: 50,000) equity shares of Rs. 10 each	500,000	500,000
	266,067,452	235,213,811
Less : Provision for diminution in the value of long term investments		
Datum Technology Limited	500,000	500,000
	265,567,452	234,713,811
Aggregate cost of unquoted investment (net of provisions)	265,567,452	234,713,811

*Note: Includes share application money pending allotment amounting to Rs. 4,900,000 for rights issue of shares.

SCHEDULE 7
DEFERRED TAX ASSET/(LIABILITY), NET

Deferred tax liability arising on		
Depreciation and amortisation	(1,273,980)	(1,273,980)
Deferred tax asset arising on		
Employee benefits	2,166,551	2,165,351
Other timing differences	368,551	368,551
	1,261,122	1,259,922

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SCHEDULES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2011

	As at 31 March 2011 Rs.	As at 31 March 2010 Rs.
SCHEDULE 8		
SUNDRY DEBTORS		
(Unsecured)		
Debts outstanding for a period exceeding six months		
- considered good	18,193,693	3,522,719
- considered doubtful	1,089,339	1,089,339
Other debts		
- considered good	130,646,992	61,501,980
	149,930,024	66,114,038
Less: Provision for doubtful debts	1,089,339	1,089,339
	148,840,685	65,024,699
 SCHEDULE 9		
CASH AND BANK BALANCES		
Cash in hand	108,872	79,662
Balances with banks in :		
- Current accounts	8,765,479	4,546,086
- Deposit accounts*	466,133	451,601
	9,340,484	5,077,349
 *Out of the total fixed deposit balance, a fixed deposit amounting to Rs. 128,871 (31 March 2010: Rs. 127,299) is in the name of Axis Computers Private Limited (a Company which was merged into the Parent Company in earlier years) and a fixed deposit amounting to Rs. 295,912 (31 March 2010: Rs. 295,912) is in the name of IT & T Limited (the erstwhile name of the Parent Company).		
 SCHEDULE 10		
OTHER CURRENT ASSETS		
Interest accrued but not due*	15,209	73,572
 *Out of the total interest accrued but not due, an interest amounting to Rs. 1,190 (31 March 2010: Rs. 15,648) is on fixed deposit which is in the name of Axis Computers Private Limited (a Company which was merged to the Parent Company in earlier years).		
 SCHEDULE 11		
LOANS AND ADVANCES		
(Unsecured)		
Advances recoverable in cash or in kind or for value to be received	26,554,456	10,634,750
Advance recoverable from a subsidiary	-	4,947,156
Advance income taxes/ tax deducted at source	33,443,348	18,622,539
Service tax receivable		
- good	923,864	602,952
- doubtful	1,448,725	1,448,725
Deposits with bodies corporate		
- doubtful	24,945,920	24,945,920
MAT credit entitlement	1,293,515	-
	88,609,828	61,202,042
Less: provision for doubtful loans and advances	26,394,645	26,394,645
	62,215,183	34,807,397

SCHEDULES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2011

	As at 31 March 2011 Rs.	As at 31 March 2010 Rs.
SCHEDULE 12		
CURRENT LIABILITIES		
Sundry creditors for goods, services and other expenses		
- Total outstanding dues of micro enterprises and small enterprises;	-	-
- Total outstanding dues of creditors other than micro enterprises and small enterprises	22,658,995	14,235,886
Other liabilities	21,829,483	9,434,915
Interest accrued and not due	-	3,298,849
	44,488,478	26,969,650

There are no Micro, Small and Medium enterprises, to whom the Company owes dues, which are outstanding for more than 45 days as at 31 March 2011. This information has been determined to the extent such parties have been identified on the basis of information available with the Company.

**SCHEDULE 13
PROVISIONS**

Provision for Gratuity	3,513,678	5,696,709
Provision for compensated absences	1,877,156	1,813,814
Provision for taxes	1,293,515	-
	6,684,349	7,510,523

**SCHEDULE 14
MISCELLANEOUS EXPENDITURE**

(to the extent not written off or adjusted)

Capital issue expenses		
Opening balance	2,595,000	-
Add: Incurred during the year	-	2,595,000
Less: Written off during the year	1,038,000	-
	1,557,000	2,595,000

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SCHEDULES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2011

	As at 31 March 2011 Rs.	As at 31 March 2010 Rs.
SCHEDULE 15		
OTHER INCOME		
Interest on		
Fixed deposits	117,598	467,945
[Tax deducted at source - Rs. 8,751 (31 March 2010 - Rs. 95,988)]		
Income-tax refund	116,230	283,459
Others	-	33,753
Profit on sale of fixed assets	-	24,000
Foreign exchange gain, net	362,944	-
Miscellaneous income	77,533	222,564
Liability no longer required, written back	2,785,028	188,434
	3,459,333	1,220,155

SCHEDULE 16
PERSONNEL EXPENSES

Salaries and bonus	175,585,221	106,556,342
Contribution to provident and other funds	4,992,640	3,337,401
Staff welfare and other benefits	3,638,652	2,989,615
	184,216,513	112,883,358

SCHEDULE 17
OPERATING, ADMINISTRATIVE AND SELLING EXPENSES

Communication costs	2,966,373	2,621,550
Electricity and water charges	7,640,711	4,412,223
Rent	23,967,867	11,833,077
Equipment hire charges	8,815,436	2,202,021
Software subscription charges	9,170,807	3,977,205
Local transport and conveyance	1,685,322	471,116
Travel expense	17,732,548	10,266,377
Office maintenance	5,031,912	2,858,363
Repair and maintenance		
- building	112,518	204,378
- others	955,114	955,782
Recruitment and relocation costs	1,153,132	623,344
Legal and professional charges	14,476,238	6,905,243
Insurance expenses	78,490	71,019
Rates and taxes	95,027	130,766
Advertisement and marketing costs	1,599,725	2,521,179
Printing and stationery	1,355,647	455,132
Director's fee	105,000	110,000
Foreign exchange loss, net	-	2,274,380
Provision for doubtful debts	-	1,089,339
Commission and brokerage expense	2,062,000	3,823,821
Meeting and conference expense	559,770	248,270
Miscellaneous expenses	717,335	561,143
	100,280,972	58,615,728

SCHEDULES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2011

	As at 31 March 2011 Rs.	As at 31 March 2010 Rs.
SCHEDULE 18		
FINANCE CHARGES		
Interest on		
term loan	5,486,804	3,059,268
working capital loan	1,439,739	952,320
others	8,246,295	3,298,849
Processing fee and other bank charges	1,468,071	563,401
	<u>16,640,909</u>	<u>7,873,838</u>

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SCHEDULES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2011**SCHEDULE 19****Notes to the financial statements****1) Background and Operational outlook**

Axis-IT&T Limited is a pure play Engineering Design Services (“EDS”) Company that delivers design based solutions to global engineering majors. Axis-IT&T Limited is organized into two divisions – EDS and Software Development Services. The Company has made profit after tax of Rs. 62,267,727 during the year ended 31 March 2011 and its accumulated losses are Rs. 141,408,896. These accumulated losses represent erosion of more than fifty percent of net worth of the Company. The Company is projecting better performance in forthcoming years on the basis of increase in number of contracts with existing and new customers and cost control measures. There is no impact on the carrying/ recoverable value of the assets and liabilities and so no adjustments have been recorded for these assets and liabilities thereon in the financial statements. Accordingly, these financial statements have been prepared on a going concern basis.

2) (a) Basis of preparation of financial statements

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

(b) Use of estimates

The preparation of financial statements is in conformity with generally accepted accounting principles, which requires the management of the Company to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of liabilities at the date of the financial statements and the results of operations during the reporting periods. Although these estimates are based upon management’s best knowledge of current events and actions, actual results could differ from those estimates. Significant estimates used by management in the preparation of these financial statements include the estimates of the economic useful lives of the fixed assets, provisions for bad and doubtful debts, employee benefits, estimation of revenue and project completion. Any revision to accounting estimates are recognised prospectively.

3) Significant accounting policies**i. Revenue recognition**

The Company derives its revenues primarily from engineering design services. Service income comprises of income from time-and-material and fixed-price contracts. Revenue from time-and-material contracts is recognised in accordance with the terms of the contracts with clients. Revenue from fixed-price contracts is recognised using the percentage of completion method, calculated as the proportion of the efforts incurred up to the reporting date to the estimated total efforts. Provisions for estimated losses on incomplete contracts are recorded in the period in which such losses become probable based on the current contract estimates. Revenue from the software development priced on time and materials basis is recognised when the services are rendered and related costs are incurred. Unbilled receivables represent costs incurred and revenue recognized on amounts to be billed in subsequent periods as per contractual terms. The related billings are made within the next operating cycle. Interest income is recognised on a time proportion basis taking into account the amount outstanding and the rate applicable. Dividend on investments is recognised when the right to receive dividend is established.

ii. Fixed assets and depreciation/amortisation**a) Tangible**

Fixed assets are carried at the cost less accumulated depreciation and impairment losses. The cost of fixed assets comprises 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 and the cost of fixed assets not ready for their intended use before such date are disclosed as capital work-in-progress. Expenditure on account of modification / alteration in fixed assets, which increases the future benefit from the existing asset beyond its previous assessed standard of performance, is capitalised.

SCHEDULES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2011

b) Intangible

Intangible asset comprises of non-compete fee, software and goodwill, is stated at cost less accumulated amortisation and impairment losses.

c) Depreciation and amortisation

Depreciation on fixed assets is provided on straight line method at rates which are either greater than or equal to the corresponding rates in Schedule XIV to the Act, based on the management's estimates of useful life, as follows:

Asset category	Depreciation Rate
Office buildings	1.63%
Furniture and fixtures	14.29%
Office equipments	14.29%
Computers	33.33%
Software	33.33%
Vehicles	20.00%
Electrical Installations	14.29%

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

Assets under capital lease are amortised over their estimated useful life or the lease term whichever is lower. Non-compete fee is amortised over the period of expected benefit. Goodwill on amalgamation is being amortised over a period of 5 years.

iii. 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 Profit and Loss Account. 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.

iv. Investments

Investments that are readily realisable and intended to be held for not more than one 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.

v. Borrowing costs

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

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SCHEDULES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2011

vi. Foreign currency transactions

Foreign currency transactions are recorded at the exchange rate prevailing on the date of the transaction. Differences arising out of foreign currency transactions settled during the year are recognised in the profit and loss account. Monetary items outstanding at the balance sheet date and denominated in foreign currencies are recorded at the exchange rate prevailing at the end of the year. Differences arising there from are recognised in the profit and loss account. Non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction; and non-monetary items which are carried at fair value or other similar valuation denominated in a foreign currency are reported using the exchange rates that existed when the values were determined. Investments in foreign companies are recorded at the exchange rate prevailing on the date of making the respective investments.

vii. 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. 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. 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 Profit and Loss Account in the year in which such gains or losses arises.

Compensated Absences

The Company also provides benefit of compensated absences under which un-availed leave are allowed to be accumulated to be availed in future. The scheme is considered as a long term benefit. The compensated absences comprises of vesting as well as non vesting benefit and the liability is determined in accordance with the rules of the Company and is based on actuarial valuations made on projected unit method at the balance sheet date for the balance.

viii. 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 after the tax holiday period. MAT credit entitlement can be carried forward and utilised for a period of ten years from the year in which the same is availed. 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.

SCHEDULES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2011

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.

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

ix. Provisions and contingent liabilities

The Company creates a provision when there is a present obligation as a result of a past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of the obligation. A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may but probably will not require an outflow of resources. Disclosure is also made in respect of a present obligation that probably requires an outflow of resources, where it is not possible to make a reliable estimate of the related outflow. Where there is a 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.

x. Leases

Lease where the lessor effectively retains substantively all the risks and benefits of ownership of the leased assets are classified as operating leases. Operating lease payments are recognised as an expense in the profit and loss account on a straight-line basis over the lease term. Assets acquired on lease where the Company has substantially all the risks and rewards of ownership are classified as finance leases. Such assets are capitalised at the inception of the lease at the lower of fair value or the present value of minimum lease payments and a liability is created for equivalent amount. Each lease rental paid is allocated between the liability and the 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 profit and loss account on accrual basis.

4) Earnings /(Loss) Per Share

Basic earnings per share is 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 will be treated as a fraction of an equity share to the extent that they were entitled to participate in dividends relative to a fully paid equity share during the reporting period.

The weighted average numbers of equity shares outstanding during the period will be adjusted for events of bonus issue, bonus element in a rights issue to existing shareholders; 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 will be adjusted for the effects of all dilutive potential equity shares.

The computation of earnings/(loss) per share is as follows:

	Year Ended 31 March 2011 Rs.	Year Ended 31 March 2010 Rs.
Weighted average number of shares outstanding	19,960,481	19,960,481
Profit/(loss) after tax attributable to equity shareholders (Amount in Rs.)	62,267,727	17,925,038
Earnings/(loss) per share		
- Basic & diluted	3.12	0.90
Nominal value per equity share	<u>5.00</u>	<u>5.00</u>

SCHEDULES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2011

5) Share capital

a) The subscribed and paid up capital of the Group includes 8,428,800 (31 March 2010 – 8,428,800) equity shares allotted as fully paid up (face value Rs. 5 each) by way of bonus shares by capitalisation of the following reserves:

	Equivalent number of Equity shares	Amount Rs.
a) Securities premium account	1,096,820	5,484,100
b) General reserve	120,000	600,000
c) Profit and loss account	7,211,980	36,059,900
Total	<u>8,428,800</u>	<u>2,144,000</u>

The subscribed and paid up equity share capital includes 4,202,200 (31 March 2010: 4,202,200) equity shares allotted as fully paid up under the scheme of amalgamation without payments been received.

6) Operating and finance leases

Operating Leases

The Company has entered into cancellable and non-cancellable operating lease agreements for its Business Centers and Corporate Office premises. These leases expire over the period extending up to 30 November 2012 and are further renewable at the mutual consent of the Company and the lessor.

The lease expenses for cancellable and non-cancellable operating leases during the year ended 31 March 2011 was ₹ 23,967,867 (31 March 2010 - Rs. Nil)

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 2011 Rs.	As at 31 March 2010 Rs.
Operating Lease		
Not later than one year	17,191,200	-
Later than one year but not later than 5 years	11,460,800	-
Later than 5 years	-	-
	<u>28,652,000</u>	<u>-</u>
Finance Lease		
Not later than one year	83,900	503,397
Later than one year but not later than 5 years	-	83,899
Less: Interest	(989)	(44,940)
	<u>82,911</u>	<u>542,356</u>

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SCHEDULES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2011

7) Commitments and contingencies

i. Contingencies

	Year Ended 31 March 2011 Rs.	Year Ended 31 March 2010 Rs.
Order passed against the Company by a consumer forum, Lucknow, against which the Company has filed a revised petition	225,600	225,600
Corporate Guarantee provided to YES Bank Limited for loans availed by CADES Digitech Pvt. Ltd., the subsidiary	150,000,000	107,500,000
	150,225,600	107,725,600

8) Employee benefits

a) Defined benefit plan

Gratuity

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

The assumptions used in the above valuation are as under:

Discount rate	8%	8%
Salary escalation rate	6%	8%
Retirement age	58 Years	58 Years

Change in the present value of obligation

Amount recognised in the Balance Sheet are as follows

Present value of unfunded obligations as at the end of the year -

Present value of unfunded obligations	3,513,678	5,696,709
Net liability recognised in the Balance sheet	3,513,678	5,696,709

Amount recognised in the Profit & Loss account are as follows

Current service cost	1,400,656	1,756,159
Interest on defined benefit obligation	455,737	341,790
Net actuarial losses / (gains) recognised in Year	(3,022,628)	(673,617)
Expenses recognised in the profit and loss account for the year	(1,166,235)	1,424,332

Changes in the present value of defined benefit obligation

Defined benefit obligation as at 1 April 2010	5,696,709	4,272,377
Service cost	1,400,656	1,756,159
Interest cost	455,737	341,790
Benefits paid	(1,016,796)	-
Actuarial losses / (gain)	(3,022,628)	(673,617)
Defined benefit obligation as at 31 March 2011	3,513,678	5,696,709

(This space has been intentionally left blank)

SCHEDULES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2011

b) Compensated Absences

The Company has provided compensated absences as per actuarial valuation carried out by an independent actuary on the Balance Sheet date.

The assumptions used in the above valuation are as under:

Discount rate	8%	8%
Salary escalation rate	6%	8%
Retirement age	58 Years	58 Years

Change in the defined benefit obligation

Amount recognised in the Balance Sheet are as follows

Present value of unfunded obligations as at the end of the year -

Present value of unfunded obligations

Net liability recognised in the Balance sheet

Amount recognised in the Profit & Loss account are as follows

Current service cost

Interest on defined benefit obligation

Net actuarial losses / (gains) recognised in Year

Expenses recognised in the profit and loss account for the year

Changes in the present value of defined benefit obligation

Defined benefit obligation as at 1 April 2010

Current service cost

Interest cost

Benefits paid

Actuarial losses / (gain)

Defined benefit obligation as at 31 March 2011

	Year Ended 31 March 2011 Rs.	Year Ended 31 March 2010 Rs.
	1,877,156	1,813,814
	1,877,156	1,813,814
	937,451	791,486
	145,105	102,280
	(25,201)	(168,936)
	1,057,355	724,830
	1,813,814	1,278,501
	937,451	791,486
	145,105	102,280
	(994,013)	(189,517)
	(25,201)	(168,936)
	1,877,156	1,813,814

c) Defined contribution plan

The Company makes contribution of statutory provident fund as per Employees Provident Fund and Miscellaneous Provision Act, 1952. This is a defined contribution plan as per AS 15. Contribution made during the year ended 31 March 2011 is Rs. 4,992,640 (31 March 2010 - Rs. 3,337,401)

9) Miscellaneous expenditure

Public issue expenses are amortised over a period of five years on pro-rata basis. However, if the equity offering is not probable or the offering is aborted, such costs will be expensed off in the year during which the offering is aborted or considered not probable.

10) Other notes

- a) As at 31 March, 2011 debtors include a sum of Rs. 1,089,339 (31 March 2010: Rs. 1,811,027) receivable outstanding for more than 365 days. In this regard the Company is in the process of determining the appropriate course of action to ensure compliance with the requirements of Reserve Bank of India ('RBI') Regulation and the Foreign Exchange Management Act, 1999.

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SCHEDULES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2011**II) Related party disclosures****Nature of relationship****Name of party**

i. Parties where control exists :

Holding company information

The Company is a subsidiary of Tayana Digital Private Limited (demerged from Tayana Software Solutions Private Limited) which is a subsidiary of Axis Aerospace & Technologies Private Limited. ('AATPL', formerly known as Jupiter Strategic Technologies Private Limited). AATPL, a venture funded by Jupiter Capital Private Limited ('JCPL'), is a subsidiary of JCPL.

Subsidiary companies

Axis Inc., U.S.A.
Axis E.U. Limited
Cades Digitech Private Limited
Cades Technology Canada Inc

ii. Key Management Personnel :

Chairman and CEO

Mr. S Ravi Narayanan

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SCHEDULES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2011

vi. Transactions with related parties

(Amount in Rs.)

Nature of Transaction	Intermediate Holding Company		Subsidiaries		Other entities		Key managerial remuneration		Total	
	31 March 2011	31 March 2010	31 March 2011	31 March 2010	31 March 2011	31 March 2010	31 March 2011	31 March 2010	31 March 2011	31 March 2010
A Rendering of services										
Axis Inc., U.S.A.	-	-	146,966,557	32,240,710	-	-	-	-	146,966,557	32,240,710
Axis EU Ltd.	-	-	6,261,304	3,446,393	-	-	-	-	6,261,304	3,446,393
Cades Digitech Private Limited	-	-	5,981,414	-	-	-	-	-	5,981,414	-
Axis Aerospace & Technologies Pvt. Ltd	739,500	-	-	-	-	-	-	-	739,500	-
B Investment made										
Cades Digitech Private Limited	-	-	8,050,000	97,797,435	-	-	-	-	8,050,000	97,797,435
Axis Inc.	-	-	17,903,641	10,720,394	-	-	-	-	17,903,641	10,720,394
C Unsecured Loan received										
Axis Aerospace & Technologies Pvt. Ltd	67,300,000	95,000,000	-	-	-	-	-	-	67,300,000	95,000,000
D Unsecured Loan repaid										
Axis Aerospace & Technologies Pvt. Ltd	31,300,000	2,000,000	-	-	-	-	-	-	31,300,000	2,000,000
E Interest expense										
Axis Aerospace & Technologies Pvt. Ltd	8,246,295	3,298,411	-	-	-	-	-	-	8,246,295	3,298,411
Yukti Securities Limited	-	-	-	-	-	91,877	-	-	-	91,877
F Advance for expenses Received										
Axis Inc., U.S.A.	-	-	2,997,592	3,032,202	-	-	-	-	2,997,592	3,032,202
Axis EU Ltd.	-	-	811,703	645,764	-	-	-	-	811,703	645,764
G Loan given										
Cades Digitech Private Limited	-	-	2,000,000	4,000,000	-	-	-	-	2,000,000	4,000,000
H Loan repaid										
Cades Digitech Private Limited	-	-	2,000,000	4,000,000	-	-	-	-	2,000,000	4,000,000
I Interest income										
Cades Digitech Private Limited	-	-	-	33,753	-	-	-	-	-	33,753
J Remuneration paid										
Mr. S. Ravinarayanan	-	-	-	-	-	-	2,016,000	-	2,016,000	-
Mr. Rohitsava Chand	-	-	-	-	-	-	-	2,385,000	-	2,385,000
K Reimbursement of expenses to the Company										
Cades Digitech Private Limited	-	-	104,735	-	-	-	-	-	104,735	-
L Reimbursement of expenses by the Company										
Cades Digitech Private Limited	-	-	302,431	-	-	-	-	-	302,431	-
M Engineering services received										
Cades Digitech Private Limited	-	-	495,523	-	-	-	-	-	495,523	-

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SCHEDULES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2011

vii. Balances as at the year end

(Amount in Rs.)

Nature of Transaction	Intermediate Holding Company		Subsidiaries	
	31 March 2011	31 March 2010	31 March 2011	31 March 2010
A Investments				
Axis Inc., U.S.A.	-	-	148,906,359	131,002,718
Cades Digitech Private Limited	-	-	105,847,435	97,797,435
B Amount recoverble for expenses				
Axis Inc., U.S.A.	-	-	562,942	3,560,534
Axis EU Ltd.	-	-	379,604	1,191,307
C Amount payable for expenses				
Cades Digitech Private Limited	-	-	104,735	-
D Loan outstanding				
Axis Aerospace & Technologies Pvt. Ltd	129,000,000	93,000,000	-	-
E Interest payable				
Axis Aerospace & Technologies Pvt. Ltd	862,383	3,298,411	-	-
F Sundry debtors				
Axis Inc., U.S.A.	-	-	104,238,515	32,893,734
Axis EU Ltd	-	-	5,830,269	4,984,286
Cades Digitech Private Limited	-	-	1,352,339	-
G Sundry Creditors				
Cades Digitech Private Limited	-	-	495,523	-

12) Transfer pricing

The Company has appointed independent consultants for conducting a Transfer Pricing Study to determine whether the transactions with associated enterprises for the year ended 31 March 2011 were undertaken at an "arm's length basis". The study is currently in progress and in the opinion of the management, the same would not have a significant impact on these financial statements. Accordingly, these financial statements do not include the effect of the transfer pricing implications, if any.

13) Information pursuant to Clause 32 of the listing agreements with stock exchanges

Disclosures of amounts at the year end and the maximum amount of loans outstanding during the year:

(Amount in Rs.)

Loans and advances in the nature of loans to subsidiaries	Balance as at	Maximum balance outstanding during the year ended	Balance as at	Maximum balance outstanding during the year ended
	31 March 2011		31 March 2010	
Cades Digitech Private Limited	-	2,000,000	-	4,000,000

14) Foreign currency exposures

The details of foreign currency exposures that are not hedged by derivative instrument or otherwise are as mentioned below:

Particulars		31 March 2011			31 March 2010		
Included in	Currency	Coverision rate	Amount in foreign currency	Amount in Rs.	Conversion rate	Amount in foreign currency	Amount in Rs.
Sundry debtors	USD	44.65	1,743,964	77,867,993	45.14	771,319	34,817,330
	GBP	71.93	81,549	5,865,820	68.03	73,266	4,984,286
	EURO	63.24	7,850	496,434	60.56	15,534	940,739
Sundry creditors	USD	44.65	12,000	535,800	45.14	36,000	1,625,040
PCFC	USD	44.65	980,350	43,772,628	-	-	-
EEFC accounts	USD	-	-	-	45.14	99,471	4,490,136

SCHEDULES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2011

	Year Ended 31 March 2011 Rs.	Year Ended 31 March 2010 Rs.
15) Supplementary statutory information		
a) Particulars relating to foreign exchange		
i) Earnings in foreign exchange (accrual basis)		
Income from operations	189,671,870	87,044,573
ii) Expenditure in foreign currency		
Travel expenses	9,535,560	1,875,522
Commission and brokerage	2,062,000	5,570,248
Computer maintenance	1,061,727	1,023,019
	12,659,287	8,468,789
iii) Value of Imports on CIF Basis		
Capital goods	13,988,139	487,095
	13,988,139	487,095
b) Auditors' remuneration		
Audit fee (including limited reviews)*	625,000	300,000
Tax audit	75,000	50,000
Others	-	1,000,000
Out of pocket expenses	67,988	36,050
TOTAL	767,988	1,386,050
Note: * Excluding Service Tax		
c) Director remuneration *		
Salaries and bonus	1,800,000	2,385,000
Contribution to provident fund	216,000	286,200
Perquisites	-	15,000
	2,016,000	2,686,200

Note: * Exclusive of provision for future liabilities in respect of employee benefits (which are based on actuarial valuation on an overall basis for all employees).

16) Additional disclosures under Schedule VI

The Company is engaged in the business of rendering engineering design services. The production and sale of such services is not capable of being expressed in any generic unit. Consequently, the quantitative details of sales and the particulars required under paragraph 3, 4C and 4D of Part II of Schedule VI to the Companies Act, 1956 have not been disclosed.

17) Prior year comparatives

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

For and on behalf of the Board of Directors

- Sd -

Pradeep Dadlani

Director

- Sd -

Shweta Agrawal

Company Secretary

- Sd -

Kedar Nath Choudhury

Director

Noida
25 May 2011

Additional Information pursuant to the provisions of Part IV of Schedule VI to the Companies Act, 1956

I	Registration Details	
	Registration No. :	41275
	State Code	55
	Balance Sheet Date	31.03.2011
II	Capital raised during the year	-
	Public Issue	NIL
	Bonus Issue	NIL
	Right Issue	NIL
	Private Placement	NIL
III.	Position of Mobilization and Deployment of Funds (fig. in ,000)	
	Total Liabilities (including Shareholders' Funds)	622856
	Total Assets	622856
	Sources of Funds: (fig. in ,000)	
	Paid up Capital	99955
	Reserves & Surplus	298129
	Secured Loans	95771
	Unsecured Loans	129000
	Application of Funds: (fig. in ,000)	
	Net Fixed Assets	42057
	Capital WIP	NIL
	Investments	265567
	Net Current Assets	171005
	Deferred Tax-Asset	----
	Miscellaneous Expenditure	1557
IV.	Performance of Company	(fig. in ,000)
	Turnover (including Other Income)	375019
	Total expenditure	312752
	Profit / (Loss) before Tax	62266
	Profit / (Loss) after Tax	62267
	Earning per share in Rs.	3.12
	Dividend Rate (96)	NIL
V	Generic name of the principal products / services of the Company:	
	Item cod No. (ITC Code)	N.A.
	Product Description	N.A.

For and on behalf of Board of Directors

Place : NOIDA	- Sd - Shweta Agrawal Company Secretary	- Sd - Pradeep Dadlani Director	- Sd - Kedar nath Choudhury Director
Dated : 25th May 2011			

AXIS IT & T Limited

REGD. OFFICE : A-264, IInd Floor, Defence Colony, New Delhi-I 10024

31st May 2011

Dear Shareholder,

Sub: Go Green Initiative.

Ministry of Corporate Affairs (MCA) has issued a Circular No. 17/2011 dated 21.04.2011 No.18/2011 dt. 29.04.2011 propagating "Green Initiative", by allowing paperless compliances by serving documents through electronic mode (e-mail), As an enlightened corporate citizen, we propose to send all future shareholders' communications like Notices, Company's Annual Report etc through electronic mode. This will also ensure prompt receipt of communication and avoid loss in postal transit.

We find that you have not got your email ids registered in our records. You are therefore required to send e-mail at itt.cs@karvy.com to update your e-mail address.

In case you wish to change your email address please update your email address with your concerned Depository. Please note, as a member of the Company, you will be entitled to be furnished, free of cost, with a printed copy of the balance sheet of the Company and all other documents required by law to be attached thereto including the profit and loss account and auditors' report and all other communication that may be sent to you, upon receipt of a requisition from you to this effect.

The Company shall be displaying all documents referred above at its website www.axisitt.com and the same shall also be available for inspection, during office hours, at the registered office of the Company at A-264, 2nd Floor, Defence Colony, New Delhi-I 10024

We sincerely hope that you would appreciate the "Green Initiative" taken by MCA and actively participate in the initiative and contribute to the growth of the Nation by saving the valuable trees.

Thanking you,

Yours faithfully,

For AXIS IT & T Limited
Sd/-
SHWETA AGRAWAL
Company Secretary

Auditor's Report

To,
The Board of Directors of AXIS-IT&T Limited.

1. We have audited the attached consolidated balance sheet of AXIS-IT&T Limited ("the parent company") and its subsidiaries (hereinafter collectively referred to as "the Group") as at 31 March 2011, the consolidated profit and loss account and also the consolidated cash flow statement for the year ended on that date annexed thereto (collectively referred as the 'Consolidated Financial Statements'). These consolidated financial statements are the responsibility of the Group's management and have been prepared by management on the basis of separate financial statements of the entities of the Group. Our responsibility is to express an opinion on these consolidated financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the consolidated financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statements presentation. We believe that our audit provides a reasonable basis for our opinion.
3. We did not audit the financial statements of three subsidiaries whose financial statements reflect total assets of Rs. 237,316,104 as at 31 March 2011 and the total revenue of Rs. 722,669,991 and cash inflow amounting to Rs. 10,021,786 for the year ended on that date. These financial statements and other financial information have been audited by other auditors whose reports have been furnished to us and our opinion in respect thereof is based solely on the report of such other auditors.
4. We report that the consolidated financial statements have been prepared by the Group's management in accordance with the requirements of Accounting standard (AS) 21 "Consolidated Financial Statements", notified pursuant to the Companies (Accounting Standards) Rules, 2006.
5. Based on our audit and consideration of reports of other auditors on separate financial statements and on the other financial information of the components and to the best of the information and according to the explanations given to us, we are of the opinion that the attached consolidated financial statements read together with the significant accounting policies and the notes thereon, give a true and fair view in conformity with the accounting principles generally accepted in India, in case of the:
 - a. consolidated balance sheet, the consolidated state of affairs of the Group as at 31 March 2011;
 - b. consolidated profit and loss account, of the profit of the Group for the year ended on that date; and
 - c. consolidated cash flow statement, of the cash flows of the Group for the year ended on that date.

For **Walker, Chandiok & Co**
Chartered Accountants
Firm Registration No: 001076N

-Sd-
per **Aashish Arjun Singh**
Partner
Membership No. 210122

Noida
25 May 2011

AXIS-IT&T LIMITED (Consolidated)

CONSOLIDATED PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED MARCH 31, 2011

	Schedule	As at 31 March 2011 Rs.	As at 31 March 2010 Rs.
INCOME			
Income from operations	15	1,642,491,749	772,401,560
Other income	16	7,508,313	9,414,726
		<u>1,650,000,062</u>	<u>781,816,286</u>
EXPENDITURE			
Personnel expenses	17	1,126,027,948	526,828,199
Operating, administrative and selling expenses	18	354,250,689	174,941,468
Depreciation and amortisation	5	37,449,993	18,359,144
Finance charges	19	33,746,220	15,205,828
		<u>1,551,474,850</u>	<u>735,334,639</u>
PROFIT BEFORE TAX AND AFTER MINORITY INTEREST		98,525,212	46,481,647
TAX EXPENSE			
Current taxes			
- Domestic		1,293,515	573,716
- Foreign taxes		8,674,618	3,352,852
Minimum alternative tax credit		(1,293,515)	-
Income tax refund of earlier years		-	(3,299,238)
Deferred tax charge/(credit)			
- Current year		(1,200)	(712,252)
- Prior year		-	(2,366,093)
PROFIT AFTER TAXATION AND BEFORE MINORITY INTEREST		<u>89,851,794</u>	<u>48,932,662</u>
Minority Interest		10,723,634	16,468,417
PROFIT AFTER TAX		<u>79,128,160</u>	<u>32,464,245</u>
EARNINGS PER SHARE		<u>3.96</u>	<u>1.63</u>
(Refer note 11 in Schedule 20)			
- Basic and diluted			

NOTES TO THE FINANCIAL STATEMENTS

20

The schedules referred to above form an integral part of the financial statements.

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

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

-Sd-
per **Aashish Arjun Singh**
Partner

Noida
25 May 2011

For and on behalf of the Board of Directors

-Sd- Pradeep Dadlani Director	-Sd- Kedar Nath Choudhury Director
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-Sd-
Shweta Agrawal
Company Secretary

Noida
25 May 2011

AXIS-IT&T LIMITED (Consolidated)

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2011

	Year Ended 31 March 2011 Rs.	Year Ended 31 March 2010 Rs.
A Cash Flows from Operating Activities		
Net profit before tax and after prior period items	98,525,212	46,481,643
Adjustments for:		
Depreciation and amortization	37,449,993	18,359,144
Profits on sale of fixed assets	-	(24,000)
Unrealised foreign exchange gain	(168,229)	-
Interest expense	33,746,220	15,205,828
Miscellaneous expenditure written off	1,038,000	-
Interest income on bank deposits	(4,000,299)	(540,467)
Interest income on income tax refund	-	430,888
Liability no longer required written back	(1,419,859)	-
Operating profit before working capital changes	165,171,038	79,913,036
(Increase) in trade and other receivables	(310,037,509)	(110,849,604)
Increase in current liabilities and provisions	94,519,392	5,080,381
Cash generated from operations	(50,347,079)	(25,856,187)
Payment of direct tax	(25,976,288)	(27,691,216)
NET CASH FROM / (USED IN) OPERATING ACTIVITIES (A)	(76,323,367)	(53,547,403)
B CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of fixed assets and increase in capital work-in-progress	(63,415,092)	(36,914,661)
Proceeds from sale of fixed assets	-	24,000
Investments made	(4,900,000)	-
Investments made in subsidiaries	(20,050,000)	(97,797,435)
Cash received from erstwhile sellers of a subsidiary	12,000,000	-
Interest received	4,000,299	(477,432)
Investments in Fixed Deposits	-	-
NET CASH FROM/(USED IN) INVESTING ACTIVITIES (B)	(72,364,793)	(135,165,528)
C CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds of borrowings	198,163,438	145,975,874
Repayment of borrowings	(186,021,794)	-
Proceeds from issue of equity shares by subsidiary	309,883,596	-
Public issue expenses	-	(2,595,000)
Interest paid	(33,746,220)	(6,843,514)
NET CASH FROM FINANCING ACTIVITIES (C)	288,279,020	136,537,360
Net increase/(decrease) in cash and cash equivalents (A+B+C)	139,590,860	(52,175,571)
Translation reserve	(854,714)	(18,253,977)
Cash and cash equivalents at beginning of the year	28,092,960	31,323,636
Add: Cash on acquisition of subsidiary	-	67,198,872
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	166,829,106	28,092,960

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

For **Walker, Chandio & Co**

Chartered Accountants

-Sd-

per **Aashish Arjun Singh**
Partner

Noida
25 May 2011

For and on behalf of the Board of Directors

-Sd-

Pradeep Dadlani
Director

-Sd-

Shweta Agrawal
Company Secretary

Noida
25 May 2011

-Sd-

Kedar Nath Choudhury
Director

AXIS-IT&T LIMITED (Consolidated)

SCHEDULES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2011

	As at 31 March 2011 Rs.	As at 31 March 2010 Rs.
SCHEDULE 1		
CAPITAL		
Authorised		
72,000,000 (31 March 2010: 72,000,000) equity shares of Rs. 5 each	360,000,000	360,000,000
100,000 (31 March 2010: 100,000) preference shares of Rs. 100 each	10,000,000	10,000,000
	370,000,000	370,000,000
Issued, Subscribed and paid up		
19,960,481 (31 March 2010: 19,960,481) equity shares of Rs. 5 each fully paid	99,802,405	99,802,405
Add: Forfeited shares (amount originally paid Rs. 3 per share on 51,100 equity shares)	153,300	153,300
	99,955,705	99,955,705
SCHEDULE 2		
RESERVES AND SURPLUS		
Securities Premium	298,129,199	298,129,199
	298,129,199	298,129,199
Unrealised surplus on dilution		
As per last balance sheet	-	-
Add: Additions during the year (Refer note 8 in Schedule 21)	155,677,539	-
	155,677,539	-
Profit and loss account		
As per last balance sheet	(122,539,463)	(155,003,704)
Add: Surplus/(deficit) as per profit and loss account, net	79,128,160	32,464,241
	(43,411,303)	(122,539,463)
Translation reserve	(14,600,757)	(13,746,043)
	395,794,678	161,843,693
SCHEDULE 3		
SECURED LOANS		
From banks		
Vehicle loan	112,466	542,356
(Secured against hypothecation of the specific vehicle) (Principal repayment due within one year Rs. 82,911 (2010- Rs. 443,279))		
Working capital loan from Yes Bank Limited	19,000,000	21,559,952
(Secured against equitable mortgage on land & building of the company situated at D-30, Sector 3, Noida, U.P. and exclusive first charge on current assets)		
PCFC from Yes Bank Ltd	148,413,438	-
Medium term loan from Yes Bank Limited	43,750,000	30,000,000
(Secured by deposit of title deeds relating to the Parent Company's property situated at D-30 Sector 3, Noida, U.P.) (Principal repayment due within one year Rs. 25,000,000 (2010- Rs. 10,013,389))		
Line of credit from Southside Trust and Savings Bank	12,814,550	15,797,872
(Secured against inventories, accounts receivables, equipments and intangible assets)		
	224,090,454	67,900,180
SCHEDULE 4		
UNSECURED LOANS		
Inter-corporate deposits from body corporates	129,000,000	273,048,630
	129,000,000	273,048,630

SCHEDULES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2011

SCHEDULE 5

FIXED ASSETS

(Amount in Rs.)

Assets	Gross Block				Depreciation/Amortisation				Net Block	
	As at 01 April 2010	Additions during the year	Sale/ Adjustments during the year	As at 31 March 2011	As at 01 April 2010	Charge for the year	Adjustments during the year	As at 31 March 2011	As at 31 March 2011	As at 31 March 2010
Goodwill on amalgamation	16,445,348	-	-	16,445,348	15,508,797	936,551	-	16,445,348	-	936,551
Land-freehold	2,264,437	-	-	2,264,437	-	-	-	-	2,264,437	2,264,437
Buildings-										
Freehold	16,581,724	-	-	16,581,724	2,498,337	270,282	-	2,768,619	13,813,105	14,083,387
Leasehold Improvement	9,199,940	61,528	15,738	9,277,206	6,937,899	1,371,515	20,471	8,329,885	947,321	2,262,041
Furniture and fixtures	11,654,904	2,528,916	117,421	14,301,241	10,230,848	466,252	108,475	10,805,575	3,495,666	1,424,056
Office equipments	26,522,392	1,964,674	(171,400)	28,315,666	22,177,164	734,935	(155,735)	22,756,364	5,559,302	4,345,229
Computers	69,519,701	5,940,360	61,039	75,521,100	57,750,403	7,006,538	265,186	65,022,127	10,498,973	11,769,297
Vehicles	1,756,331	-	-	1,756,331	640,941	351,266	-	992,207	764,124	1,115,390
Electrical installations	2,059,794	-	-	2,059,794	2,021,223	12,930	-	2,034,153	25,641	38,571
Intangible assets										
Non compete fees	1,971,000	-	-	1,971,000	1,971,000	-	-	1,971,000	-	-
Softwares	162,502,136	48,793,071	(222,107)	211,073,100	129,688,666	25,957,904	(222,103)	155,424,467	55,648,633	32,813,470
Licenses	1,692,750	-	(18,375)	1,674,375	874,588	341,820	(16,439)	1,199,969	474,406	818,162
TOTAL	322,170,457	59,288,549	(217,684)	381,241,322	250,299,866	37,449,993	(145)	287,749,714	93,491,608	71,870,591
Previous year	139,180,788	28,171,385	8,994,265	322,170,457	102,132,307	18,359,144	8,433,448	250,299,721	71,870,736	

AXIS-IT&T LIMITED (Consolidated)

SCHEDULES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2011

	As at 31 March 2011 Rs.	As at 31 March 2010 Rs.
SCHEDULE 6		
INVESTMENTS		
Long-term investments- unquoted at cost		
Investment in government securities		
National Savings Scheme Certificate	5,000	5,000
Long term, Trade, Unquoted, fully paid up		
Axis Cogent Global Ltd *	10,813,658	5,913,658
447,254 (31 March 2010: 247,663) Equity Shares of Rs. 10 each fully paid up		
Datagraphical Limited	171	171
Ordinary Shares (refer note 4 in schedule 20)		
Axis IT Solutions Limited	171	171
Ordinary Shares (refer note 4 in schedule 20)		
Long term, Non Trade, Unquoted, fully paid up		
Datum Technology Limited	500,000	500,000
50,000 Equity shares of Rs. 10 each fully paid up		
	11,319,000	6,419,000
Less : Provision for diminution in the value of long term investments		
Datum Technology Limited	500,000	500,000
	10,819,000	5,919,000
Aggregate cost of unquoted investments (net of provision)	10,819,000	5,919,000

*Note: Includes share application money pending allotment amounting to Rs. 4,900,000 for rights issue of shares.

SCHEDULE 7

DEFERRED TAX ASSET/(LIABILITY), NET

Deferred tax liability arising on

Depreciation and amortisation	(1,273,980)	(1,273,980)
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Deferred tax asset arising on

Employee benefits	2,166,551	2,165,351
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Other timing difference	368,551	368,551
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	1,261,122	1,259,922
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AXIS-IT&T LIMITED (Consolidated)

SCHEDULES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2011

	As at 31 March 2011 Rs.	As at 31 March 2010 Rs.
SCHEDULE 8		
SUNDRY DEBTORS		
(Unsecured)		
Debts outstanding for a period exceeding six months		
- considered good	-	11,919,674
- considered doubtful	59,544,353	59,446,153
Other debts		
- considered good	5,18,293,673	298,641,440
	577,838,026	370,007,267
Less: Provision for doubtful debts	59,544,353	59,446,153
	5,18,293,673	3,10,561,114

SCHEDULE 9

CASH AND BANK BALANCES

Cash balances on hand	1,34,347	4,562,346
Balances with scheduled banks in:		
- Current accounts	41,907,998	19,228,280
- Deposit accounts	1,23,057,340	2,717,620
Balances with non-scheduled banks in current accounts:		
South Side Trust & Savings Bank- USA	1,85,180	831,746
Barclays Bank- UK	408,234	94,383
Korea Exchange Bank- USD A/c- Korea	401,371	1,55,956
Korean Exchange Bank- KRW A/C- Korea	714,197	484,384
Mizohuho Bank- Japan	20,438	18,245
	1,66,829,105	28,092,960

Notes:

- a) Out of the total fixed deposit balance, a fixed deposit amounting to Rs. 1,28,871 (31 March 2010: Rs. 1,27,299) is in the name of Axis Computers Private Limited (a Company which was merged into the Parent Company in earlier years) and a fixed deposit amounting to Rs. 2,95,912 (31 March 2010: Rs. 2,95,912) is in the name of IT & T Limited (the erstwhile name of the Parent Company).
- b) Maximum amount outstanding with non-scheduled banks at any time during the year are as follows:
- | | | |
|--------------------------------------|----------|-----------|
| In current account | | |
| South Side Trust & Savings Bank- USA | 1,11,651 | 8,337,000 |
| Barclays Bank- UK | 408,234 | 831,746 |
| Wells Fargo Bank Arizona NA- USA | - | 1,605,451 |
| Korea Exchange Bank- USD A/c- Korea | 2,54,030 | 1,605,451 |
| Korean Exchange Bank- KRW A/C- Korea | 1,32,103 | 2,528,619 |
| Mizohuho Bank- Japan | 422,615 | 5,871,384 |
- c) None of the directors of the Company or their relatives are interested in any of these non-scheduled banks.

AXIS-IT&T LIMITED (Consolidated)

SCHEDULES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2011

	As at 31 March 2011 Rs.	As at 31 March 2010 Rs.
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SCHEDULE 10

OTHER CURRENT ASSETS

Interest accrued but not due*	1,968,393	73,573
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*Out of the total interest accrued but not due balance, an interest amounting to Rs. 1,190 (31 March 2010: Rs. 15,648) is on fixed deposit which is in the name of Axis Computers Private Limited (a Company which was merged to the Parent Company in earlier years) and an interest amounting to Rs. Nil (31 March 2010: Rs. Nil) is on the fixed deposit which is in the name of IT & T Limited (the erstwhile name of the Parent Company).

SCHEDULE 11

LOANS AND ADVANCES

(Unsecured)

Advance recoverable in cash or in kind or for value to be received	98,795,939	46,628,993
Advance income taxes/ tax deducted at source	54,852,272	37,550,602
Service tax receivable		
- considered good	22,548,975	9,216,084
- considered doubtful	1,448,725	1,448,725
Deposits with bodies corporate		
- considered doubtful	24,945,920	24,945,920
MAT credit entitlement	1,293,515	-
	203,885,346	119,790,324
Less: provision for doubtful loans and advances	26,426,540	26,394,645
	177,458,806	93,395,679

SCHEDULE 12

CURRENT LIABILITIES

Sundry creditors for goods, services and other expenses		
- total outstanding dues of micro enterprises and small enterprises	-	-
- total outstanding dues of creditors other than micro enterprises and small enterprises	78,136,851	52,146,111
Other liabilities	173,406,231	100,904,467
Advances from customers	1,353,293	3,146,182
Interest accrued and not due	-	8,454,191
	252,896,375	164,650,951

There are no Micro, Small and Medium enterprises, to whom the Company owes dues, which are outstanding for more than 45 days as at 31 March 2011. This information has been determined to the extent such parties have been identified on the basis of information available with the Company.

AXIS-IT&T LIMITED (Consolidated)

SCHEDULES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2011

	As at 31 March 2011 Rs.	As at 31 March 2010 Rs.
SCHEDULE 13		
PROVISIONS		
Income-tax	4,599,082	927,635
Fringe benefit tax	-	129,445
Employee benefits	17,524,547	16,212,440
	22,123,629	17,269,520

SCHEDULE 14

MISCELLANEOUS EXPENDITURE

(to the extent not written off or adjusted)

Capital issue expenses		
Opening balance	2,595,000	-
Add: Incurred during the year	-	2,595,000
Less: Written off during the year	1,038,000	-
	1,557,000	2,595,000

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AXIS-IT&T LIMITED (Consolidated)

SCHEDULES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2011

	Year Ended 31 March 2011 Rs.	Year Ended 31 March 2010 Rs.
SCHEDULE 15		
INCOME FROM OPERATIONS		
Engineering Design Services	894,873,073	723,507,514
Software development	747,618,676	48,894,046
	1,642,491,749	772,401,560
SCHEDULE 16		
OTHER INCOME		
Interest income on fixed deposits	4,000,299	540,467
(Gross of tax deducted at source Rs. 197,546 (31 March 2010: Rs. 126,130)		
Provision no longer required written back	1,419,859	222,564
Income-tax refund	947,408	430,888
Profit on sale of fixed assets	-	24,000
Miscellaneous income	1,140,747	8,196,807
	7,508,313	9,414,726
SCHEDULE 17		
PERSONNEL EXPENSES		
Salaries and bonus	1,057,405,526	465,504,790
Contribution to provident and other funds	15,014,650	40,078,930
Staff welfare and other benefits	12,111,559	4,734,278
Consultants' fees*	41,496,213	16,510,201
	1,126,027,948	526,828,199

* Net of expenses amounting to Rs. 8,904,425 (31 March 2010- Nil) charged to Axis Aerospace and Technologies Private Limited (intermediate holding company).

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AXIS-IT&T LIMITED (Consolidated)

SCHEDULES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2011

	Year Ended 31 March 2011 Rs.	Year Ended 31 March 2010 Rs.
SCHEDULE 18		
OPERATING, ADMINISTRATIVE AND SELLING EXPENSES		
Communication expenses	12,895,847	7,659,658
Advertisement and marketing	46,613,161	9,109,207
Recruitment and relocation expenses	7,800,133	3,262,294
Prototyping expenses	5,555,230	-
Legal and professional	43,777,894	16,487,561
Local transport and conveyance	14,965,724	14,911,478
Travel expense	42,918,363	16,526,862
Rent	66,336,836	29,749,562
Repair and maintenance		
-Building	2,473,972	1,367,397
-Others	12,074,345	1,656,887
Office maintenance	4,466,045	4,178,627
Electricity and water	14,446,892	8,441,770
Insurance expenses	1,195,776	1,228,740
Hire charges of equipments and softwares	47,150,090	19,660,040
Commission and brokerage	2,706,428	16,897,957
Directors' fee	215,000	110,000
Printing and stationery	3,272,451	1,384,490
Provision for doubtful debts	-	1,382,908
Rates and taxes	4,725,999	2,067,038
Foreign exchange loss	2,322,771	15,256,941
Miscellaneous expenses	18,337,732	3,602,051
	354,250,689	174,941,468
SCHEDULE 19		
INTEREST AND FINANCE CHARGES		
Interest on		
-term loan	19,065,672	9,292,306
-working capital	1,811,819	1,264,106
-others	8,246,295	3,298,849
Processing fee and other bank charges	4,622,434	1,350,567
	33,746,220	15,205,828

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SCHEDULES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2011

SCHEDULE 20

Notes to the financial statements

Significant Accounting Policies

1) Background and operational outlook

AXIS-IT&T Limited ('the Company'), a public limited company, together with its subsidiaries namely Axis Inc, Axis EU and Cades Digitech Private Limited (Cades) , Cades Technology Canada Inc. (hereinafter collectively referred to as 'the Group') operates in the business of software development and Engineering Design Services. The Company's shares are listed for trading on the National Stock Exchange and Bombay Stock Exchange in India. The Group has made profit after tax of Rs. 79,128,160 during the year ended 31 March 2011. The Group is projecting better performance in forthcoming years on the basis of increase in number of contracts with existing and new customers and cost control measures. There is no impact on the carrying/ recoverable value of the assets and liabilities and so no adjustments have been recorded for these assets and liabilities thereon in the financial statements. Accordingly, these financial statements have been prepared on a going concern basis.

2) (a) Basis of consolidation

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

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

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

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

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

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

(b) Basis of presentation

The financial statements have been prepared to comply with the Accounting Standards referred to in the Companies (Accounting Standards) Rule 2006 issued by the Central Government in exercise of the power conferred under sub-section (1) (a) of Section 642 and the relevant provisions of the Companies Act, 1956 (the 'Act'). The financial statements have been prepared under the historical cost convention on accrual basis. The accounting policies have been consistently applied by the Group unless otherwise stated.

(c) Use of estimates

The preparation of financial statements in conformity with the principles generally accepted in India requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and the disclosure of contingent liabilities on the date of financial statements and the reported amounts of revenues and expenses during the reporting period. Examples of such estimates include percentage-of-completion which requires the Group to estimate the efforts expended to date as a proportion of total efforts to be expended, provisions for doubtful debts, future obligations under employee retirement benefit plans, useful lives of fixed assets and intangibles and carrying values of goodwill and other long lived assets.

Actual results could differ from those estimates. Any revision to accounting estimates is recognised prospectively in the current and future periods.

SCHEDULES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2011

(d) Revenue recognition

Revenue of the Group are received from Engineering Design Services and software development services. Revenues are recognised as the services are rendered to the respective customers.

Revenue from fixed-price contracts is recognised using the percentage of completion method, calculated as the proportion of the efforts incurred up to the reporting date to the estimated total efforts. Provisions for estimated losses on incomplete contracts are recorded in the period in which such losses become probable based on the current agreement estimates.

Revenue from time and materials contracts is recognized when the services are rendered and related costs are incurred.

Unbilled receivables represent costs incurred and revenue recognized on amounts to be billed in subsequent periods as per agreement terms. The related billings are made within the next operating cycle.

Unbilled revenues included in other liabilities represent billings in excess of revenue recognised. Advances received for services are reported as liabilities until all conditions for revenue recognised are met.

Interest income is recognised on a time proportion basis taking into account the amount outstanding and the rate applicable.

Dividend on investments is recognised when the right to receive dividend is established.

(e) Fixed assets

Tangible

Fixed assets are stated at cost less accumulated depreciation and impairment losses. Cost comprises the purchase price and any cost attributable to bringing the asset to its working condition for its intended use. Advances paid towards acquisition of fixed assets before the period end are classified as capital work in progress.

Expenditure on account of modification / alteration in fixed assets, which increases the future benefit from the existing asset beyond its previous assessed standard of performance, is capitalised.

Intangible

Intangible assets are recorded at the consideration paid for acquisition of such assets and are carried at cost less accumulated amortisation and impairment.

(f) Depreciation and Amortization

Depreciation on fixed assets is provided on straight line basis over the estimated economic useful life based on the management's estimates of useful life, as follows:

Asset category	Depreciation Rate
Office buildings	1.63%
Furniture and fixtures	14.29%
Office equipments	14.29 - 33.33%
Computers	25.00 - 33.33%
Software	33.33%
Vehicles	20.00%
Electrical Installations	14.29%

Leasehold improvements are depreciated over the lease term or the useful life of the improvements whichever is shorter.

Non-compete fee is amortised over the period of expected benefit. Goodwill on amalgamation is being amortised over the period of 5 years. Assets under capital lease are amortised over their estimated useful life or the lease term whichever is lower. Individual assets acquired for less than Rs. 5,000 each are fully depreciated in the month of purchase.

SCHEDULES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2011**(g) Investments**

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

(h) Employee benefits

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

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. The plan is a defined contribution plan and contribution paid or payable is recognized 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. The liability recognised in the Balance Sheet represents the present value of the defined benefit obligation at the Balance Sheet date less the fair value of plan assets (if any), together with adjustments for past service costs. Independent actuaries using the projected unit credit method calculate the defined benefit obligation annually.

Actuarial gains or losses arising from experience adjustments and changes in actuarial assumptions are credited or charged to the Profit and loss account in the year in which such gains or losses arises.

Vacation pay

Liability in respect of vacation pay becoming due or expected to be availed within one year from the Balance Sheet date is recognised on the basis of undiscounted value of estimated amount required to be paid or estimated value of benefit expected to be availed by the employees. Liability in respect of earned leave becoming due or expected to be availed more than one year after the Balance Sheet date is estimated on the basis of actuarial valuation in a manner similar to gratuity liability.

Overseas Social Security

The Group contributes to social security charges of countries to which the Group deutes its employees on employment. The plans are defined contribution plan and contributions paid or payable is recognised as an expense in these periods in which the employee renders services in those respective countries.

Other short-term benefits

Expense in respect of other short-term benefits including performance bonus is recognized on the basis of amount paid or payable for the period during which the employees render services.

(i) Earnings per share

Basic earnings per share are calculated by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. The weighted average numbers of equity shares outstanding during the year are adjusted for events of bonus issue and share split.

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

SCHEDULES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2011**(j) Leases**

Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased assets are classified as operating leases. Operating lease payments are recognised as an expense in the profit and loss account on a straight-line basis over the of the lease term.

Assets acquired on lease where the entity has substantially all the risks and rewards of ownership are classified as finance leases. Such assets are capitalised at the inception of the lease at the lower of fair value or the present value of minimum lease payments and a liability is created for an equivalent amount. Each lease rental paid is allocated between the liability and the 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 Profit and Loss account on accrual basis

(k) Foreign exchange translations

Initial Recognition

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

Conversion

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

Exchange Differences

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

Translation of integral foreign operations

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

Translation of non integral foreign operations

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

Where there is a change in the classification of a foreign operation, the translation procedure applicable to the revised classification are applied from the date of the change in the classification.

(l) Taxation

Provision for tax includes current tax and deferred tax. Provision for current income tax is made on the assessable income at the tax rate applicable to the relevant assessment year.

Deferred income-taxes are recognised for the future tax consequences attributable to timing differences between the financial statement determination of income and their recognition for tax purposes. The effect on deferred tax assets and liabilities of change in tax rates is recognized in income using the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax assets are recognized and carried forward only to the extent that there is a reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. However, deferred tax arising from brought forward losses and depreciation are recognized only when there is virtual certainty supported by convincing evidence that such assets will be realized.

SCHEDULES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2011

Deferred tax asset/ liability arising during the tax holiday period is not recognized to the extent it reverses within the tax holiday period.

Minimum Alternate Tax ('MAT') paid in accordance with the Indian tax laws, which gives rise to future economic benefits in the form of adjustment of future income-tax liability, is considered as an asset if there is convincing evidence that the entity will pay normal tax after the tax holiday period. Accordingly, it is recognized as an asset in the balance sheet when it is probable that the future economic benefit associated with it will flow to the entity and the asset can be measured reliably. The entity reviews the same at each balance sheet date and writes down the carrying amount of MAT credit entitlement to the extent there is no longer convincing evidence to the effect that entity will be able to utilise that credit during the specified period.

(m) Contingent liability and provisions

The Group creates a provision when there is a present obligation as a result of a past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of the obligation. A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may but probably will not require an outflow of resources. Disclosure is also made in respect of a present obligation that probably requires an outflow of resources, where it is not possible to make a reliable estimate of the related outflow. Where there is a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

Contingent assets are not recognised in the financial statements. However, contingent assets are assessed continually and if it is virtually certain that an inflow of economic benefits will arise, the asset and related income are recognised in the period in which the change occurs.

(n) Impairment of assets

The Group on an annual basis makes an assessment of any indicator that may lead to impairment of assets including goodwill. If any such indication exists, the Group estimates the recoverable amount of the assets. If such recoverable amount is less than the carrying amount, then the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is charged to the profit and loss account. If at the balance sheet date there is an indication that 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. In respect of goodwill the impairment loss is reversed only when it is caused by specific external events and their effects have been reversed by subsequent external events.

(o) Segment reporting

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

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

(p) Miscellaneous expenditure

Public issue expenses are amortised over a period of five years on pro-rata basis. However, if the equity offering is not probable or the offering is aborted, such costs will be expensed off in the year during which the offering is aborted or considered not probable.

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AXIS-IT&T LIMITED (Consolidated)

SCHEDULES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2011

- 3) The consolidated financial statements comprise the financial statements of the Parent Company and its subsidiaries listed below:

Name	Country of incorporation	Ownership interest (%)	
		31 March 2011	31 March 2010
Axis EU Limited	UK	100.00%	100.00%
Axis Inc.	USA	100.00%	100.00%
Cades Digitech Private Limited	India	51.10%	54.28%
Cades Technology Canada Inc. (Step down subsidiary of Cades Digitech Private Limited)	Canada	51.10%	-

- 4) The two wholly owned subsidiaries of Axis EU Limited namely, Data graphics Limited and Axis IT Solutions Limited are dormant and do not carry any business activities. Accordingly they operate under severe long-term restrictions, which significantly impair their ability to transfer funds to the Parent company i.e. Axis EU Limited and have therefore not been consolidated in these financial statements.
- 5) During the year, the investment business of the majority stakeholder M/s Tayana Software Solutions Private Limited was demerged to a company M/s Tayana Digital Pvt. Ltd. Accordingly, M/s Tayana Digital Pvt. Ltd. is now the majority stakeholder in the Parent Company and holds 12,142,100 equity shares which represent 60.83% of the total outstanding equity shares of the Parent Company.
- 6) The Parent Company has made a further investment of Rs. 4,900,000 in Axis Cogent Global Limited towards subscription for rights issue. The investment in Axis Cogent Global Limited aggregating to 27.66 % of its issued and paid capital has been carried at the cost in the consolidated financial statements in accordance with the Accounting Standards 13 "Accounting for Investments" issued by the Institute of Chartered Accountant of India (ICAI) . The Parent Company does not have any influence on the operation of Axis Cogent Global Limited. and therefore have not accounted for the investments using the equity method as prescribed under Accounting Standard 23 "Accounting for Investments in Associates in the Consolidated financial statements" issued by ICAI.

7) Investment in subsidiary

On 24 October 2009, the Parent Company acquired 8,142,000 equity shares (representing 54.28% of the equity share capital) of Cades for a total consideration of Rs. 97,797,435 (including acquisition charges amounting to Rs. 4,797,435).

The Group has accounted for this acquisition under the purchase method. Accordingly, the financial results for the post acquisition period have been included in the consolidated financial statements of the Group.

During the year, the Company received Rs. 120,000,000 as indemnity against pre-acquisition losses from the erstwhile shareholders of the subsidiary, the reduction in purchase consideration resulting in reduction in goodwill. The Company acquired further 925,000 equity shares (representing 6.17% of the equity share capital) of Cades for a total consideration of Rs. 20,050,000 (including acquisition charges amounting to Rs. 50,000). The Company's stake in Cades post the transaction stood at 60.44%.

The purchase cost of Rs. 20,050,000 has been allocated as follows:

Particulars	Amount in Rs.
Goodwill	18,278,873
Property, plant and equipment, net	2,481,699
Other current assets	24,520,656
Total assets acquired	45,281,228
Less: Liabilities	25,231,228
Purchase cost	20,050,000

8) Unrealised surplus on dilution

During the year, Cades made a preferential allotment of 2,741,935 equity shares raising Rs. 309,838,655 (net of issue expenses). Consequent to the fresh issue of shares, the effective stake of the Parent Company in Cades has reduced to 51.1%. As a result of this dilution, the resultant surplus of Rs. 155,677,539 has been credited to "Unrealised surplus on dilution" and is disclosed under 'Reserves and Surplus'.

AXIS-IT&T LIMITED (Consolidated)

SCHEDULES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2011

9) Share capital

- a) The subscribed and paid up capital of the Group includes 8,428,800 (31 March 2010 – 8,428,800) equity shares allotted as fully paid up (face value Rs. 5 each) by way of bonus shares by capitalisation of the following reserves:

	Equivalent number of Equity shares	Amount Rs.
a) Securities premium account	1,096,820	5,484,100
b) General reserve	120,000	600,000
c) Profit and loss account	7,211,980	36,059,900
Total	8,428,800	2,144,000

The subscribed and paid up equity share capital includes 4,202,200 (31 March 2010: 4,202,200) equity shares allotted as fully paid up under the scheme of amalgamation without payments been received.

10) Capital commitment and contingencies

- a) Estimated amounts of contracts remaining to be executed on capital account and not provided (net of advances) Rs. 1,315,818 (31 March 2010 - Rs. 6,461,221).
- b) Contingent liabilities, not provided for

	As at 31 March 2011 Rs.	As at 31 March 2010 Rs.
Order passed against the Parent Company by a consumer forum, Lucknow, against which the Parent Company has filed a revised petition.	225,600	225,600
Corporate Guarantee provided by Parent Company to YES Bank Limited for loans availed by Cades, the subsidiary	150,000,000	107,500,000
Total	150,225,600	107,725,600

11) Earnings per share (basic and diluted)

a) Number of fully paid equity shares at the beginning of the year	19,960,481	19,960,481
b) Number of fully paid equity shares at the end of the year	19,960,481	19,960,481
c) Weighted average number of equity shares (Nominal value of each share Rs. 5) outstanding during the year	19,960,481	19,960,481
d) Net profit attributable to equity shareholders (Rs.)	79,128,160	32,464,241
e) Basic and diluted earnings per share (in Rs.)	3.96	1.63

12) Related party transactions

a) Names of related parties and description of relationship:

I. Holding Company information	The Company is a subsidiary of Tayana Digital Private Limited (demerged from Tayana Software Solutions Private Limited) which is a subsidiary of Axis Aerospace & Technologies Private Limited. ('AATPL', formerly known as Jupiter Strategic Technologies Private Limited'). AATPL, a venture funded by Jupiter Capital Private Limited ('JCPL'), is a subsidiary of the JCPL.
II. Key management personnel	
Chairman and CEO	Mr. S Ravi Narayanan

SCHEDULES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2011

b) Transactions with the related parties

(Amount in Rs.)

Nature of transactions	Intermediate holding company		Associates		Fellow subsidiary		Key management personnel		Total	
	2011	2010	2011	2010	2011	2010	2011	2010	2011	2010
Management fee expense	21,918,944	-	-	-	-	-	-	-	21,918,944	-
Engineering services income	1,252,573	-	-	-	-	-	-	-	1,252,573	-
Consultancy charges recovered	8,904,425	-	-	-	-	-	-	-	8,904,425	-
Rent Deposit paid										
Hindusthan Infrastructure Projects & Engineering Private Limited	-	-	-	-	2,250,000	-	-	-	2,250,000	-
Loan raised										
Axis Aerospace & Technologies Private Limited	67,300,000	5,000,000	-	-	-	-	-	-	67,300,000	5,000,000
Asianet TV Holdings Private -	-	-	-	175,000,000	-	-	-	-	-	175,000,000
Loan repaid										
Asianet TV Holdings Private Limited-	-	-	175,000,000	-	-	-	-	-	175,000,000	-
Axis Aerospace & Technologies Private Limited	36,300,000	2,000,000	-	-	-	-	-	-	36,300,000	2,000,000
Interest paid										
Asianet TV Holdings Private Limited-	-	-	10,356,164	5,048,630	-	-	-	-	10,356,164	5,048,630
Axis Aerospace & Technologies Private Limited	8,347,391	3,453,753	-	-	-	-	-	-	8,347,391	3,453,753
Remuneration paid										
Mr. Rohitasava Chand	-	-	-	-	-	-	-	2,796,200	-	2,796,200
Mr. S. Ravi Narayanan	-	-	-	-	-	-	2,016,000	-	2,016,000	-
Rent paid										
Hindusthan Infrastructure Projects & Engineering Private Limited	-	-	3,603,504	272,250	-	-	3,603,504	272,250	-	-
Intercorporate Deposit Paid										
Axis Aerospace & Technologies Private Limited	29,500,000	-	-	-	-	-	-	-	29,500,000	-
Intercorporate Deposit Repaid										
Axis Aerospace & Technologies Private Limited	2,250,000	-	-	-	-	-	-	-	2,250,000	-
Interest on Intercorporate Deposit										
Axis Aerospace & Technologies Private Limited	77,826	-	-	-	-	-	-	-	77,826	-

SCHEDULES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2011

c) Balances as at year end

(Amount in Rs.)

Nature of transactions	Intermediate holding company		Associates		Fellow subsidiary		Key management personnel	
	2011	2010	2011	2010	2011	2010	2011	2010
Loan outstanding	-	-						
Asianet TV Holdings Private Limited	-	-	-	180,048,630	-	-	-	-
Axis Aerospace & Technologies Private Limited	129,000,000	98,000,000	-	-	-	-	-	-
Intercorporate Deposit								
Axis Aerospace & Technologies Private Limited	27,250,000	-	-	-	-	-	-	-
Rent Deposit								
Hindusthan Infrastructure Projects & Engineering Private Limited	-	-	-	-	2,250,000	-	-	-
Rent payable								
Hindusthan Infrastructure Projects & Engineering Private Limited	-	-	-	-	-	272,250	-	-
Interest payable on Intercorporate Deposit								
Axis Aerospace & Technologies Private Limited	77,826	-	-	-	-	-	-	-
Interest payable								
Asianet TV Holdings Private Limited	-	-	-	5,048,630	-	-	-	-
Axis Aerospace & Technologies Private Limited	862,383	3,298,411	-	-	-	-	-	-
Management Fees Payable								
Axis Aerospace & Technologies Private Limited	1,485,401	-	-	-	-	-	-	-
Consultancy Charges Payable								
Axis Aerospace & Technologies Private Limited	9,821,581	-	-	-	-	-	-	-

SCHEDULES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2011

13) Segment reporting

Business Segments

The management team uses the following business segments for the purpose of internal financial reporting to analyse the risk and return on investments, planning and distribution of available resources and evaluation of financial performance of segments.

- a) **Engineering Design Services**The focus of this segment is to provide software solution and support services in domestic as well as overseas market of CAD/CAM and engineering designing.
- b) **Software Development**This segment comprises activities relating to onsite and offsite development of software. The Group had a dedicated facility in Gurgaon.

Geographic Segments

The Group's business is organised into three key geographical segments. Revenues are attributable to individual geographical segments based upon the location of the customers.

All segment revenue, expenses, assets and liabilities are directly attributable to the segments and disclosed accordingly.

All un-allocable expenses like corporate overheads, interest, etc., which are not allocable to any specific segment are separately disclosed as un-allocable.

The accounting policies consistently used in the preparation of the financial statements are also applied to revenues and expenditure of individual segments.

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SCHEDULES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2011

- i) Primary Segment
Information regarding primary business segments

(Amount in Rs.)

Particulars	Engineering Design Services		Software Development		Total	
	2011	2010	2011	2010	2011	2010
Revenue	1,612,376,211	723,507,514	30,115,538	48,894,046	1,642,491,750	772,401,560
Total	1,612,376,211	723,507,514	30,115,538	48,894,046	1,642,491,750	772,401,560
Results						
Segment results	141,746,719	60,437,491	13,157,000	15,674,866	154,903,719	76,112,357
Unallocable corporate expenses, net	-	-	-	-	(30,138,200)	(15,362,487)
Operating profit					124,765,519	60,749,870
Interest expense	-	-	-	-	33,746,220	15,239,582
Interest income	-	-	-	-	7,508,313	971,355
Income taxes	-	-	-	-	8,675,818	(2,451,015)
Profit from ordinary activities					89,851,794	48,932,658
Other information						
Segment assets	950,116,743	476,077,820	-	4,398,472	950,116,743	480,476,292
Unallocated corporate assets*	-	-	-	-	90,344,648	62,248,480
Total assets					1,040,461,391	542,724,772
Segment liabilities	275,020,004	175,111,712	-	6,349,409	275,020,004	181,461,121
Unallocated corporate liabilities*	-	-	-	-	-	459,349
Total liabilities					275,020,004	181,920,470
Capital expenditure	59,070,865	27,779,653	-	391,732	59,070,865	28,171,385
Depreciation/ amortisation	35,205,492	13,510,798	530,088	869,293	35,735,580	14,380,091
Unallocated corporate depreciation*	-	-	-	-	1,714,413	3,979,053
Total depreciation					37,449,993	18,359,144

Note: During the year ended 31 March 2011, the Group has renamed one of its business segments as Engineering Design Services as against IT Enabled services during the year ended 31 March 2010 to be more representative of the services rendered by the Group in that segment. This has no impact on segment disclosures made in the prior year.

SCHEDULES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2011

ii) Geographical segment

Information regarding secondary geographical segments

(Amount in Rs.)

Particulars	India & Asia Pacific		United States of America		Europe		Others		Total	
	2011	2010	2011	2010	2011	2010	2011	2010	2011	2010
Revenue from external customers	615,887,637	198,087,835	791,797,208	348,308,139	224,436,152	226,005,586	10,370,752	-	1,642,491,750	772,401,560
Carrying value of segment assets	368,179,264	130,889,644	330,496,311	40,373,502	251,441,168	172,908,068	-	-	950,116,743	344,171,214
Additions to fixed assets	57,429,813	27,480,031	1,220,012	529,412	421,040	161,942	-	-	59,070,865	28,171,385

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AXIS-IT&T LIMITED (Consolidated)

SCHEDULES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2011

14) Employee Benefits

a) Defined benefit plan

Gratuity

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

The assumptions used in the above valuation are as under:

Discount rate	8%	8%
Salary escalation rate	5-6%	6-8%
Retirement age	58- 60 Years	58-60 Years

Change in the present value of obligation :

	Year ended 31 March 2011 Rs.	Year ended 31 March 2010 Rs.
Opening present value of obligation	12,019,175	11,073,555
Interest cost	663,291	503,824
Current service cost	3,231,082	1,999,725
Benefits paid	(2,340,617)	(316,961)
Actuarial (gain)/loss on obligations	(3,083,363)	(1,240,968)
Closing present value of obligation	10,489,568	12,019,175

Expenses recognized in the Profit and Loss Account

Current service cost	3,231,082	1,918,193
Interest cost	663,291	585,356
Net actuarial (gain)/loss recognized in the year	(3,083,363)	(1,240,968)

Total Expenses recognized in the Profit & Loss Account

	811,010	1,262,581
--	----------------	------------------

b) Compensated absences

The Company has provided liability for compensated absences as per an actuarial valuation carried out by an independent actuary on the Balance Sheet date.

The assumptions used in the above valuation are as under:

Discount rate	8%	8%
Salary escalation rate	5-6%	6-8%
Retirement age	60 Years	60 Years

Defined Contribution Plan

Amount recognised as an expense and included in the schedule 17- "Contribution to provident and other funds" of Profit and Loss account Rs. 15,014,650 (31 March 2010: Rs. 40,078,930).

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AXIS-IT&T LIMITED (Consolidated)

SCHEDULES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2011

15) Finance leases

Finance lease represents liability towards assets purchased on leases and are secured by first charges over those assets. Repayment schedule of finance lease liability is as under

Payments falling due

	As at 31 March 2011 Rs.	As at 31 March 2010 Rs.
Not later than one year	83,900	503,397
Later than one year but not later than 5 years	-	83,899
Total	83,900	587,296
Less: Interest	(989)	(44,940)
Grand total	82,911	542,356

16) Operating leases

The Group has entered into cancellable and non-cancellable operating lease agreements for its Business Centers and Corporate Office premises.

The lease expenses for cancellable and non-cancellable operating leases during the year ended 31 March 2011 was Rs. 66,336,836 (31 March 2010 – Rs. 29,749,562)

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

	As at 31 March 2011 Rs.	As at 31 March 2010 Rs.
Payments falling due		
Not later than one year	33,196,621	21,219,395
Later than one year but not later than 5 years	11,718,250	14,671,499
Total	44,914,871	35,890,894

17) Taxes on income

In accordance with Accounting Standard 22 "Accounting of Taxes on Income" issued by the Institute of Chartered Accountants of India, deferred tax asset on carried forward losses has not been accounted in the books, since there is no virtual certainty supported by convincing evidence that these losses will be utilised.

18) Transfer Pricing

The Company has appointed independent consultants for conducting a Transfer Pricing Study to determine whether the transactions with associated enterprises for the year ended 31 March 2011 were undertaken at an "arm's length basis". The study is currently in progress and in the opinion of the management, the same would not have a significant impact on these financial statements. Accordingly, these financial statements do not include the effect of the transfer pricing implications, if any.

AXIS-IT&T LIMITED (Consolidated)

SCHEDULES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2011

19) Summarised statement of financials of subsidiary companies

(Amount in Rs.)

Particulars	Axis Inc	Cades Digitech Private Limited	Axis EU Limited	Cades Techno- logy Canada Inc.
Capital	100,338,667	177,419,350	44,070,829	4,596
Reserves	-	654,961,656	3,278,845	-
Profit and loss account	6,245,924	(488,141,624)	(28,627,161)	498,503
Fixed assets	3,304,618	115,504,241	14,439,294	-
Total assets	214,474,858	569,943,018	13,416,321	9,424,925
Total liabilities	152,884,128	157,861,755	11,766,994	8,921,825
Details of investment (except investment in subsidiaries)	-	5,000	-	-
Turnover	673,661,105	707,581,636	38,637,686	10,371,200
Profit before tax	9,492,790	25,220,344	1,422,213	935,274
Tax expense	1,986,658	6,239,028	-	448,932
Profit after tax	7,506,132	18,981,316	1,422,213	486,343

20) As at 31 March 2011 debtors include a sum of Rs. 59,544,353 (31 March 2010-Rs. 60,167,841) receivable outstanding for more than 365 days. In this regard the Company has filed for extension with its Authorised Dealer as per the required provisions of Foreign Exchange Management Act, 1999.

21) Previous year figures have been regrouped wherever considered necessary to conform to current year's classification.

For and on behalf of the Board of Directors

- Sd -

Pradeep Dadlani

Director

- Sd -

Kedar Nath Choudhury

Director

- Sd -

Shweta Agrawal

Company Secretary

Noida

25 May 2011

AXIS-IT&T LIMITED

Registered Office : A-264, Second Floor, Defence Colony, New Delhi - 110024
Corporate Office : D-30, Sector III, NOIDA-201 301

DP id*	
Client Id*	

PROXY FORM

Proxy No.

Regd. Folio No No. of shares held

I/We of.....

in the district of being a

Member/Members of the above named Company hereby appoint

..... of.....

.....in the direct of..... of failing him/her

.....of.....

in the district of.....

as my/our proxy to vote for me/us on my/our behalf at the 21st Annual General Meeting of the Company to be held on Monday, the 1st August, 2011 at 2.30 p.m. in LakshmiPat Singhania Auditorium at the PHD Chambers of Commerce and Industry, PHD House, Ground Floor, 4/2, Sirifort Road, New Delhi 110016 and at any adjournment thereof

Signed thisday of.....2011

Signature.....



*Applicable for investors holding shares in electronic form

NOTE: This form in order to be effective should be duly stamped, completed and signed and must be deposited at the Registered Office of the Company, not less than 48 hours before scheduled time of the meeting. The Proxy need not be a member of the Company.

AXIS-IT&T LIMITED

Registered Office : A-264, Second Floor, Defence Colony, New Delhi - 110024
Corporate Office : D-30, Sector III, NOIDA-201 301

DP id*	
Client Id*	

ATTENDANCE SLIP

To be handed over at the entrance of the Meeting Hall

Name of the attending Member (In Block Letters)	Regd. Folio No.
Name of Proxy (In Block Letters) (To be filled in if the Proxy attends instead of the Member)	Number of Shares held

I hereby record my presence at the 21st Annual General Meeting of the Company being held in LakshmiPat Singhania Auditorium at the PHD Chambers of Commerce and Industry, PHD House, Ground Floor, 4/2, Sirifort Road, New Delhi 110016 Monday, the 1st August, 2011 at 2.30 p.m.

.....
Member's/Proxy's Signature
(To be signed at the time of handing over this slip)

- NOTE:
- Members/Proxy holders are requested to bring the Attendance Slip with them duly filled in when they come to the meeting and hand over at the entrance. No attendance slip will be issued at the times of the meeting.
 - Member/Proxy holders desiring to attend the meeting should bring their copy of the Annual Report for reference at the meeting.
 - Members please be informed that the company shall adhere to its policy of no gift at the Annual General Meeting.
 - Please note that only members and proxy holder shall be allowed to attend the Annual General Meeting. Children and Guest shall not be allowed.

* Applicable for investors holding shares in electronic form



Mr. S.Ravinarayanan, Chairman & Director, CADES Digitech Private Limited, receiving the contract from Mr. Klaus Richter, Executive Vice-President Procurement, Airbus



Airbus Multi-Function Team (MFT) and CADES Offshore Development Centre (ODC) team during the inaugural ceremony of Airbus CADES ODC at Bangalore



axis-IT&T
We Engineer Your Thoughts

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