

ANNUAL REPORT 2015-2016

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

{Formerly Studec Technologies (India) Private Limited}

Cades Studec Technologies (India) Private Limited

Corporate Identity Number: U72900KA2006PTC049241
(CIN)

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

Registered Office: No. 11 3rd Cross, Ganganagar North,
Near CBI Office
Bangalore-560032, India
Ph No: 080-3190 6654
E-mail: csti@cadesstudec.in.com
Web: www.cadesstudec.co.in

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

NOTICE OF 10TH ANNUAL GENERAL MEETING

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

ORDINARY BUSINESS:

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

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

"RESOLVED THAT, pursuant to provisions of Section 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 and the rules framed thereunder, the appointment of M/S Walker Chandiok & Co LLP (*formerly Walker, Chandiok & Co*) Chartered Accountants, (Firm Registration No. 001076N/ N500013), as the Statutory Auditors of the Company, who were appointed in the AGM held on 25th August 2014 (duly ratified in the AGM dated June 5, 2015), to hold office from the conclusion of that Annual General Meeting until the conclusion of the thirteenth Annual General Meeting of the Company, be and is hereby ratified together with the, remuneration and reimbursement of out of pocket expenses, as decided by the Board of Directors of the Company."

By Order of Board of Directors

Place: Bengaluru
Date: 28 April, 2016


Director

NOTES:

1. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself and such a proxy need not be a member.
2. Instruments of proxies in order to be valid must be received by the company not less than 48 hours before the commencement of the meeting.

DIRECTORS' REPORT

Dear Members,

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

FINANCIAL RESULTS:

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

(Amount in Rupees Million)

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

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

STATE OF COMPANY AFFAIRS:

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

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

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

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

As at the end of the year, the Company had 304 employees which has resulted in Head- Count growth of 6% Y-0-Y.

MATERIAL CHANGES OR COMMITMENTS:

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

DIVIDEND:

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

RESERVES:

During the year no amount has been transferred to reserves.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS:

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

PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES:

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

DETAILS OF SUBSIDIARY/JOINT VENTURES/ASSOCIATE COMPANIES:

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

NETWORTH

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

| Particulars | 31.03.2016 | 31.03.2015 |
|------------------------|------------|------------|
| Networth (INR Million) | 107.23 | 91.22 |

SIGNIFICANT ORDERS BY REGULATORS/COURTS/TRIBUNALS:

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

NUMBERS OF MEETINGS OF THE BOARD:

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

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

PUBLIC DEPOSITS:

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

STATUTORY AUDITORS & AUDITORS REPORT:

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

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

DETAILS IN RESPECT OF FRAUD REPORTED BY AUDITORS:

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

EXTRACT OF THE ANNUAL RETURN:

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

CONVERSION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE:

The operation of the Company involve low energy consumption. Adequate measures, however, have been taken in the form of improved operational methods to conserve energy. Also your Company is involved in the ISO14001 – Environmental Management System and has already taken few actions like adhering to E-waste Management and Handling Rules 2011, batteries (Management and Handling) Rules 2011, by managing the AC, by replacing PC's by VPC and recycling the paper.

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

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

DIRECTORS:

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

INTERNAL FINANCIAL CONTROL:

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

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

RISK MANAGEMENT

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

PREVENTION OF SEXUAL HARASSMENT OF WOMEN AT WORKPLACE

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

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

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

- 1) That in the preparation of the annual accounts for the financial year ended 31st March 2016, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- 2) That the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that were reasonable and prudent so as to give true and fair view of the state of affairs of the Company at the end of the Financial Year and of the Profit and Loss of the Company of the company for the year;
- 3) That the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- 4) That the Directors have prepared the annual accounts for the financial year ended 31st March, 2016 on 'going concern' basis.
- 5) That the Directors has laid down Internal Financial Control to be followed by the Company and that such internal financial controls are adequate and were operating effectively.

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

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


ACKNOWLEDGEMENT:

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

For and on behalf of the Board of Directors

Place: Bengaluru
Date: April 28, 2016


Kedarnath Choudhury
Director


Philippe Chaballier
Director

Annexure I:

Form No. MGT-9

**EXTRACT OF ANNUAL RETURN
as on the financial year ended on 31st March 2016**

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

I. REGISTRATION AND OTHER DETAILS:

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

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10 % or more of the total turnover of the company shall be stated:-

| Sl. No. | Name and Description of main products / services | NIC Code of the Product/ service | % to total turnover of the company |
|---------|--|----------------------------------|------------------------------------|
| 1 | Documentation Engineering Services | | 100% |

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES –

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

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

i) Category-wise Share Holding

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

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

(ii) Shareholding of Promoters

| Sl No. | Shareholder's Name | Shareholding at the beginning of the year | | | Shareholding at the end of the year | | | % change in share holding during the year |
|--------|--|---|----------------------------------|--|-------------------------------------|----------------------------------|--|---|
| | | No. of Shares | % of total Shares of the company | % of Shares Pledged / encumbered to total shares | No. of Shares | % of total Shares of the company | % of Shares Pledged / encumbered to total shares | |
| 1 | AXISCADES Engineering Technologies Private Limited | 474500 | 75.92% | NIL | 474500 | 75.92% | NIL | NIL |
| 2 | Mr. Sudhakar Gande* | 100 | 0.016% | NIL | 100 | 0.016% | NIL | NIL |
| 3 | Mr. Kedarnath Choudhury* | 100 | 0.016% | NIL | 100 | 0.016% | NIL | NIL |
| 4 | Mr. A Srinivas* | 100 | 0.016% | NIL | 100 | 0.016% | NIL | NIL |
| 5 | Mr. Venkatarama* | 100 | 0.016% | NIL | 100 | 0.016% | NIL | NIL |
| 6 | Mr. Kirit Manek* | 100 | 0.016% | NIL | 100 | 0.016% | NIL | NIL |
| | Total | 475000 | 76% | NIL | 475000 | 76% | NIL | NIL |

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

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

(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):

| Sl. No. | | Shareholding at the beginning of the year | | Cumulative Shareholding during the year | |
|---------|--|---|----------------------------------|---|----------------------------------|
| | | No. of shares | % of total shares of the company | No. of shares | % of total shares of the company |
| | Studec France | | | | |
| | At the beginning of the year | 1,50,000 | 24% | 1,50,000 | 24% |
| | Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc): | No Change | | | |
| | At the End of the year (or on the date of separation, if separated during the year) | 1,50,000 | 24% | 1,50,000 | 24% |

(v) Shareholding of Directors and Key Managerial Personnel:

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

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

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

V. INDEBTEDNESS

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

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

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

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

B. Remuneration to other directors:

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

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

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

II. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

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

For Cades Studec Technologies (India) Private Limited

Director

For Cades Studec Technologies (India) Private Limited

Director

Financial Statements and Auditors' report

Cades Studec Technologies (India) Private Limited

31 March 2016

Walker Chandiook & Co LLP

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

T +91 80 4243 0700
F +91 80 4126 1228

Independent Auditor's Report

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

Report on the Financial Statements

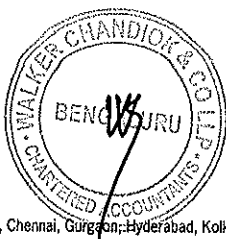
1. We have audited the accompanying financial statements of Cades Studec Technologies (India) Private Limited ("the Company"), which comprise the Balance Sheet as at 31 March 2016, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of the significant accounting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

Management's Responsibility for the Financial Statements

2. The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements, that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 (as amended). This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act; safeguarding the assets of the Company; preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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



Walker Chandiook & Co LLP

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

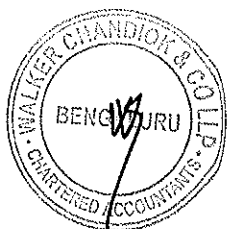
4. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.
5. We conducted our audit in accordance with the Standards on Auditing specified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

Opinion

8. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2016, and its profit and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

9. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of Section 143(11) of the Act, we give in the Annexure I a statement on the matters specified in paragraphs 3 and 4 of the Order.
10. As required by Section 143(3) of the Act, we report that:
 - a. we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - b. in our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - c. the financial statements dealt with by this report are in agreement with the books of account;



Walker Chandiook & Co LLP

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

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

Walker Chandiook & Co LLP

For Walker Chandiook & Co LLP

(Formerly Walker, Chandiook & Co)

Chartered Accountants

Firm's Registration No.: 001076N/N500013

Vijay V Singh

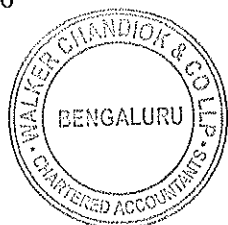
per Vijay Vikram Singh

Partner

Membership No.: 059139

Bengaluru

28 April 2016



Walker Chandiook & Co LLP

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

Annexure I

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

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
 - (b) The fixed assets have been physically verified by the management during the year and no material discrepancies were noticed on such verification. In our opinion, the frequency of verification of the fixed assets is reasonable having regard to the size of the Company and the nature of its assets.
 - (c) The Company does not hold any immovable properties. Accordingly, the provisions of clause 3(i)(c) of the Order are not applicable.
- (ii) The Company does not have any inventory. Accordingly, the provisions of clause 3(ii) of the Order are not applicable.
- (iii) The Company has granted unsecured Inter Corporate Deposit to company covered in the register maintained under Section 189 of the Act; and with respect to the same:
 - (a) in our opinion the terms and conditions of grant of such loans are not, *prima facie*, prejudicial to the Company's interest.
 - (b) the schedule of repayment of principal and payment of interest has been stipulated wherein the principal amounts are repayable on demand and since the repayment of such loans has not been demanded, in our opinion, repayment of the principal amount is regular. Further, the receipt of the interest is regular
 - (c) there is no overdue amount in respect of loans granted to such companies, firms, LLPs or other parties.
- (iv) In our opinion, the Company has complied with the provisions of Sections 185 and 186 of the Act in respect of loans, investments, guarantees, and security.
- (v) The Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable.
- (vi) To the best of our knowledge and belief, the Central Government has not specified maintenance of cost records under sub-section (1) of Section 148 of the Act, in respect of Company's products/ services. Accordingly, the provisions of clause 3(vi) of the Order are not applicable.



Walker Chandiook & Co LLP

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

- (vii)(a) The Company is regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues, as applicable, to the appropriate authorities. Further, no undisputed amounts payable in respect thereof were outstanding at the year-end for a period of more than six months from the date they become payable.
- (b) There are no dues in respect of income-tax, sales-tax, service tax, duty of customs, duty of excise and value added tax that have not been deposited with the appropriate authorities on account of any dispute.
- (viii) The Company has no loans or borrowings payable to a financial institution or a bank or government and no dues payable to debenture-holders during the year. Accordingly, the provisions of clause 3(viii) of the Order are not applicable.
- (ix) The Company did not raise moneys by way of initial public offer or further public offer (including debt instruments) and did not have any term loans outstanding during the year. Accordingly, the provisions of clause 3(ix) of the Order are not applicable.
- (x) No fraud by the Company or on the Company by its officers or employees has been noticed or reported during the period covered by our audit.
- (xi) The Company has not paid or provided for any managerial remuneration. Accordingly, the provisions of Clause 3(xi) of the Order are not applicable
- (xii) In our opinion, the Company is not a Nidhi Company. Accordingly, clause 3(xii) of the Order is not applicable.
- (xiii) In our opinion all transactions with the related parties are in compliance with Sections 177 and 188 of Act, where applicable, and the requisite details have been disclosed in the financial statements etc., as required by the applicable accounting standards.
- (xiv) During the year, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures.
- (xv) The Company has not entered into any non-cash transactions with directors or persons connected with them.



Walker Chandiook & Co LLP

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

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

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

Vijay V Singh

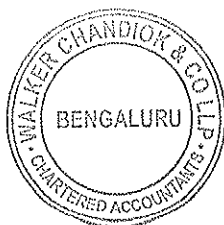
per Vijay Vikram Singh

Partner

Membership No.: 059139

Bengaluru

28 April 2016



Walker Chandiook & Co LLP

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

Annexure II

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

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

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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



Walker Chandiook & Co LLP

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

Meaning of Internal Financial Controls over Financial Reporting

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

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

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

Walker Chandiook & Co LLP

For Walker Chandiook & Co LLP

(Formerly Walker, Chandiook & Co)

Chartered Accountants

Firm's Registration No.: 001076N/N500013

Vijay V Singh

per Vijay Vikram Singh

Partner

Membership No.: 059139

Bengaluru

28 April 2016



Cades Studec Technologies (India) Private Limited
Balance Sheet

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

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

Notes forms an integral part of these financial statements.

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

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

Vijay V Singh
 per Vijay Vikram Singh
 Partner

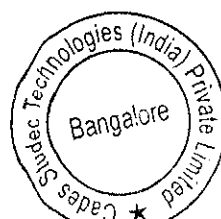
Bengaluru
 28 April 2016



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

Kedarnath Choudhury
 Kedarnath Choudhury
 Director
 DIN:01519514

Bengaluru
 28 April 2016



Philippe Chabaliere
 Philippe Chabaliere
 Director
 DIN:03101253

Bengaluru
 28 April 2016

Philippe Chabaliere

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

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

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

Notes forms an integral part of these financial statements.

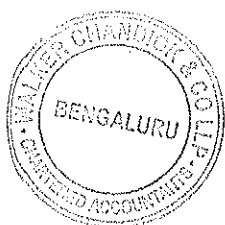
This is the Statement of Profit and Loss referred to in our report of even date.

Walker Chandlok & Co LLP

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

Vijay V Singh
 per Vijay Vikram Singh
 Partner

Bengaluru
 28 April 2016



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

Kedarnath Choudhury
 Kedarnath Choudhury
 Director
 DIN:01519514

Bengaluru
 28 April 2016

Philippe Chabaliere
 Philippe Chabaliere
 Director
 DIN:03101253

Bengaluru
 28 April 2016

Philippe Chabaliere

