

**Independent Auditor's Review Report on the Quarterly Unaudited Consolidated Ind AS Financial Results of the Company Pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended**

Review Report to  
The Board of Directors  
AXISCADES Technologies Limited

1. We have reviewed the accompanying Statement of Unaudited Consolidated Ind AS Financial Results of AXISCADES Technologies Limited (the "Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group") and its associate for the quarter ended June 30, 2022 (the "Statement") attached herewith, being submitted by the Holding Company pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (the "Listing Regulations").
2. The Holding Company's Management is responsible for the preparation of the Statement in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34, (Ind AS 34) "Interim Financial Reporting" prescribed under Section 133 of the Companies Act, 2013 as amended, read with relevant rules issued thereunder and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations. The Statement has been approved by the Holding Company's Board of Directors. Our responsibility is to express a conclusion on the Statement based on our review.
3. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

We also performed procedures in accordance with the Circular No. CIR/CFD/CMD1/44/2019 dated March 29, 2019 issued by the Securities and Exchange Board of India under Regulation 33(8) of the Listing Regulations, to the extent applicable.

4. The Statement includes the results of entities as stated in Note 10 of the Statement.
5. Based on our review conducted and procedures performed as stated in paragraph 3 above and based on the consideration of the review reports of other auditors referred to in paragraph 7 below, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with recognition and measurement principles laid down in the aforesaid Indian Accounting Standards ("Ind AS") specified under Section 133 of the Companies Act, 2013, as amended, read with relevant rules issued thereunder and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of the Listing Regulations, including the manner in which it is to be disclosed, or that it contains any material misstatement.

**6. Emphasis of Matter**

We draw attention to Note 5 to the Statement in respect of dispute between the Company and the Shareholders of Mistral Solutions Private Limited in relation to the implementation of the Share Purchase Agreement ('SPA') dated December 1, 2017. The Arbitral Tribunal has passed its Interim Arbitration Award directing the parties to comply with the aforesaid award. Pending the compliance with the direction contained in the aforesaid award and the issuance of the final award, the outcome of the matter is not fully known currently. Our conclusion is not modified in respect of this matter.

7. The accompanying Statement includes the unaudited Ind AS interim financial results and other unaudited financial information, in respect of ten subsidiaries, whose unaudited Ind AS interim financial results include total revenues of Rs. 7,269.93 lakhs, total net profit after tax of Rs. 578.21 lakhs and total comprehensive income of Rs. 603.62 lakhs for the quarter ended June 30, 2022 as considered in the Statement which have been reviewed by their respective independent auditors. The independent auditor's reports on Ind AS interim financial results of these entities have been furnished to us by the Management and our conclusion on the Statement, in so far as it relates to the amounts and disclosures in respect of these subsidiaries, is based solely on the report of such auditors and procedures performed by us as stated in paragraph 3 above.
8. The accompanying Statement includes unaudited Ind AS interim financial results and other unaudited financial information in respect of one associate, whose Ind AS interim financial results includes the Group's share of net loss of Rs. 4.41 lakhs and Group's share of total comprehensive loss of Rs. 4.41 lakhs for the quarter ended June 30, 2022. The unaudited Ind AS interim financial results and other unaudited financial information of the associate have not been reviewed by any auditor and have been approved and furnished to us by the Management and our conclusion on the Statement, in so far as it relates to the affairs of the associate, is based solely on such unaudited Ind AS interim financial results and other unaudited financial information. According to the information and explanations given to us by the Management, these Ind AS interim financial results are not material to the Group.

Our conclusion on the Statement in respect of matters stated in paragraphs 7 and 8 above is not modified with respect to our reliance on the work done and the reports of the other auditors and the financial results certified by the Management.

**For S.R. BATLIBOI & ASSOCIATES LLP**

Chartered Accountants

ICAI Firm registration number: 101049W/E300004

SUNIL  
GAGGAR

Digitally signed by  
SUNIL GAGGAR  
Date: 2022.08.10  
19:45:24 +05'30'

---

per Sunil Gaggar

Partner

Membership No.: 104315

UDIN: 22104315AOUFGJ9792

Place: Bengaluru

Date: August 10, 2022

**AXISCADES Technologies Limited**  
CIN NO: L72200KA1990PLC084435

Regd. Office: Block C, Second Floor, Kirloskar Business Park, Bengaluru - 560024, Karnataka, India  
Website: www.axiscades.com, Email: info@axiscades.com, Tel: +91 80 4193 9000, Fax: +91 80 4193 9099

(₹ In lakhs)

**Statement of unaudited consolidated financial results for the quarter ended June 30, 2022**

Particulars	Quarter ended			Year ended
	June 30, 2022	March 31, 2022	June 30, 2021	March 31, 2022
	(Unaudited)	(Audited)	(Unaudited)	(Audited)
		(Refer Note 9)		
<b>I. Income</b>				
(a) Revenue from contracts with customers	18,327.94	19,188.07	11,213.16	60,840.77
(b) Other operating income	96.65	83.39	-	189.82
(c) Other income	266.49	284.17	267.06	909.43
<b>Total Income</b>	<b>18,691.08</b>	<b>19,555.63</b>	<b>11,480.22</b>	<b>61,940.02</b>
<b>II. Expenses</b>				
(a) Cost of materials consumed	4,298.09	5,153.36	909.82	11,666.82
(b) Employee benefits expense	8,782.69	8,245.21	6,927.46	31,214.39
(c) Finance costs	179.26	408.32	392.75	1,575.41
(d) Depreciation, amortisation and impairment loss	636.93	720.94	579.56	2,506.06
(e) Other expenses	2,974.53	2,983.18	2,335.83	11,085.78
<b>Total expenses</b>	<b>16,871.50</b>	<b>17,511.01</b>	<b>11,145.42</b>	<b>58,048.46</b>
<b>III. Profit before non-controlling interest / share in net profit / (loss) of associate / Exceptional items (I-II)</b>	<b>1,819.58</b>	<b>2,044.62</b>	<b>334.80</b>	<b>3,891.56</b>
IV. Share in net profit / (loss) of associate	(4.41)	(35.22)	0.79	(45.82)
<b>V. Profit before non- controlling interest / Exceptional items and after share in net profit / (loss) of associate (III+IV)</b>	<b>1,815.17</b>	<b>2,009.40</b>	<b>335.59</b>	<b>3,845.74</b>
VI. Exceptional items, net (refer note 6)	(4,444.98)	(169.34)	-	(169.34)
<b>VII. Profit / (Loss) before tax and non-controlling interest</b>	<b>(2,629.81)</b>	<b>1,840.06</b>	<b>335.59</b>	<b>3,676.40</b>
VIII. Tax expense:				
- Current tax	335.93	864.48	140.67	1,360.14
- Deferred tax charge / (credit)	203.25	(89.12)	61.73	48.35
<b>IX. Profit / (Loss) after tax</b>	<b>(3,168.99)</b>	<b>1,064.70</b>	<b>133.19</b>	<b>2,267.91</b>
<b>X. Other Comprehensive Income, net of tax [(loss) / profit]</b>				
Other comprehensive income not to be reclassified to profit or loss in subsequent periods:				
a) Remeasurement gain / (losses) in defined benefit plans	(2.51)	17.66	(7.28)	(15.67)
Income tax effect	0.41	(5.51)	1.80	3.03
Other comprehensive income to be reclassified to profit or loss in subsequent periods:				
a) Gain / (losses) on cash flow hedges	(73.69)	(45.52)	23.66	53.39
Income tax effect	20.30	10.94	(6.34)	(14.87)
b) Exchange differences on translation of foreign operations	242.59	230.67	104.58	298.08
Income tax effect	-	-	-	-
<b>XI. Total comprehensive income / (loss) for the period / year</b>	<b>(2,981.89)</b>	<b>1,272.94</b>	<b>249.61</b>	<b>2,591.87</b>
<b>Total profit / (loss) attributable to</b>				
Owners of the Company	(3,180.05)	1,053.58	122.48	2,223.32
Non-controlling interest	11.06	11.12	10.71	44.59
<b>Total comprehensive income / (loss) attributable to</b>				
Owners of the Company	(2,992.95)	1,261.82	238.90	2,547.28
Non-controlling interest	11.06	11.12	10.71	44.59
<b>XII. Paid up equity share capital (₹ 5/- each)</b>	1,901.68	1,897.23	1,889.51	1,897.23
<b>XIII. Other equity</b>				31,229.08
<b>XIV. Earnings / (loss) per share ('EPS') (of ₹ 5 each) (not annualised for quarters)</b>				
Basic EPS (in ₹)	(8.38)	2.78	0.32	5.86
Diluted EPS (in ₹) (refer note 8)	(8.38)	2.68	0.30	5.76



**AXISCADES Technologies Limited**  
CIN NO: L72200KA1990PLC084435

Regd. Office: Block C, Second Floor, Kirloskar Business Park, Bengaluru - 560024, Karnataka, India  
Website: www.axiscades.com, Email: info@axiscades.com, Tel: +91 80 4193 9000, Fax: +91 80 4193 9099

(₹ In lakhs)

**Statement of unaudited consolidated financial results for the quarter ended June 30, 2022**

**Notes**

1. In terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, the aforesaid Statement of unaudited consolidated financial results for the quarter ended June 30, 2022 of the AXISCADES Technologies Limited (the "Holding Company" or the "Company") and its subsidiaries (the Holding Company and its subsidiaries together hereinafter referred to as "the Group") and its associate has been reviewed by the Audit Committee and approved by the Board of Directors at their meeting held on August 10, 2022. The aforesaid consolidated financial results for the quarter ended June 30, 2022 have been subjected to limited review by the statutory auditors of the Company.

2. The unaudited consolidated financial results have been prepared in accordance with the recognition and measurement principles laid down in the applicable Indian Accounting Standards ("Ind AS") as prescribed under Section 133 of the Companies Act, 2013, as amended read with relevant rules thereunder and in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended and SEBI Circular No. CIR/CFD/CMD1/44/2019 dated March 29, 2019.

3. The financial results of the Company on standalone basis is as follows:

Particulars	Quarter ended			Year ended
	June 30, 2022	March 31, 2022	June 30, 2021	March 31, 2022
	(Unaudited)	(Audited)	(Unaudited)	(Audited)
Total revenue (including other income)	6,136.73	5,175.85	3,684.72	18,402.64
Profit / (Loss) before tax	(3,719.59)	809.11	(276.45)	355.40
Profit / (Loss) after tax	(3,924.93)	792.07	(290.14)	307.88
Total Comprehensive Profit / (Loss) for the period / year ended	(3,966.98)	811.63	(293.50)	346.58

4. The segment reporting of the Group has been prepared in accordance with Ind AS-108 on 'Operating Segments'. The business segments of the Group comprises of (a) "Technology Services and Solutions" and (b) "Strategic Technology Solutions".

**Segment wise revenue, results, assets and liabilities**

Particulars	Quarter ended			Year ended
	June 30, 2022	March 31, 2022	June 30, 2021	March 31, 2022
	(Unaudited)	(Audited)	(Unaudited)	(Audited)
<b>1. Segment revenue</b>				
(a) Technology Services and Solutions	13,309.48	11,604.01	10,179.25	45,273.09
(b) Strategic technology solutions	5,115.11	7,667.45	1,033.91	15,757.50
<b>Total</b>	<b>18,424.59</b>	<b>19,271.46</b>	<b>11,213.16</b>	<b>61,030.59</b>
Less: inter segment revenue	-	-	-	-
<b>Net sales / income from operations</b>	<b>18,424.59</b>	<b>19,271.46</b>	<b>11,213.16</b>	<b>61,030.59</b>
<b>2. Segment results</b>				
(Profit / (Loss) before tax, interest and other income from each segment)				
(a) Technology Services and Solutions	2,081.29	959.98	1,079.09	4,660.11
(b) Strategic technology solutions	(59.55)	1,504.35	(364.78)	996.15
<b>Total</b>	<b>2,021.74</b>	<b>2,464.33</b>	<b>714.31</b>	<b>5,656.26</b>
Less: i) Interest expenses	(179.26)	(408.32)	(392.75)	(1,575.41)
ii) Share in net profit / (loss) of associate	(4.41)	(35.22)	0.79	(45.82)
iii) Exceptional items (refer note 6)	(4,444.98)	(169.34)	-	(169.34)
iv) Other unallocable expenditure	(289.39)	(295.56)	(253.82)	(1,098.72)
Add: i) Other income	266.49	284.17	267.06	909.43
<b>Total Profit / (Loss) before tax</b>	<b>(2,629.81)</b>	<b>1,840.06</b>	<b>335.59</b>	<b>3,676.40</b>
<b>3. Segment assets</b>				
(a) Technology Services and Solutions	31,301.76	29,186.41	28,676.04	29,186.41
(b) Strategic technology solutions	28,774.77	30,720.03	24,490.34	30,720.03
(c) Unallocable assets	19,437.50	19,533.76	20,128.84	19,533.76
<b>Total</b>	<b>79,514.03</b>	<b>79,440.20</b>	<b>73,295.22</b>	<b>79,440.20</b>
<b>4. Segment liabilities</b>				
(a) Technology Services and Solutions	13,858.12	12,510.13	13,956.18	12,510.13
(b) Strategic technology solutions	33,286.06	32,013.35	27,672.34	32,013.35
(c) Unallocable liabilities	1,413.26	1,255.65	1,004.31	1,255.65
<b>Total</b>	<b>48,557.44</b>	<b>45,779.13</b>	<b>42,632.83</b>	<b>45,779.13</b>





**AXISCADES Technologies Limited**  
CIN NO: L72200KA1990PLC084435

Regd. Office: Block C, Second Floor, Kirloskar Business Park, Bengaluru - 560024, Karnataka, India  
Website: www.axiscades.com, Email: info@axiscades.com, Tel: +91 80 4193 9000, Fax: +91 80 4193 9099

(₹ In lakhs)

**Statement of unaudited consolidated financial results for the quarter ended June 30, 2022**

5. The Company entered into a Share Purchase Agreement ('SPA') on December 1, 2017, to acquire 100% stake in Mistral Solutions Private Limited ('MSPL') along with its subsidiaries ('MSPL Group') in a phased manner. MSPL Group is headquartered in Bengaluru, India and is engaged in rendering end to end services for product design and development in the embedded space. The Company acquired control on MSPL effective December 01, 2017.

Pursuant to the requirements of SPA, during the quarter ended June 30, 2018, the Company has filed an application with National Company Law Tribunal ('NCLT') for amalgamation of Explosoft Tech Solutions Pvt Ltd, a shareholder of MSPL ('Explosoft') with the Company, on receipt of observation letter conveying 'no objection' from BSE Limited and the National Stock Exchange. Further, vide order dated March 8, 2019, NCLT, Bengaluru bench has approved the scheme of amalgamation ('Scheme'). As the registered office of the Explosoft is situated in the state of Maharashtra, the Scheme has also been filed by Explosoft on May 15, 2018, with NCLT, Mumbai for approval. Pending necessary approval from NCLT Mumbai Bench, no effect of the aforesaid scheme of amalgamation is given in the financial results.

During the quarter ended June 30, 2020, the shareholders of MSPL have demanded for discharge of purchase consideration of Phase II of SPA aggregating Rs 7,213 lakhs as the scheme of merger has not yet been approved. The shareholders have also demanded an interest of Rs 1,431 lakhs at the rate of 12% per annum on account of delay in payment of the aforesaid purchase consideration. The Company believes that Explosoft did not take steps that were required by Explosoft to diligently prosecute the application for merger before the NCLT Mumbai so as to bring it to completion and accordingly the claim for interest by Explosoft is not tenable. The Company, thereafter initiated arbitration proceedings against the shareholders of MSPL and MSPL contesting the aforesaid claims and seeking Arbitral Tribunal to direct for the completion of acquisition in accordance with the SPA.

The Company has received the Interim Arbitration Award ('Interim Award') on May 26, 2022, dated May 21, 2022, from the Arbitral Tribunal, directing all parties for specific performance of their obligations under the SPA and other definitive agreements, so as to ensure completion of acquisition of 100% of shares of MSPL by the Company. During the quarter ended June 30, 2022, the Company has recorded an additional charge of Rs. 4,444.98 lakhs (including interest of Rs. 2,944.98 lakhs and additional consideration of Rs. 1,500 lakhs) as an exceptional item, in accordance with Interim Award. Pursuant to further directions contained in the Interim Award, the Company issued bank guarantees aggregating Rs. 6,500 lakhs in favour of shareholders of MSPL towards completion of its performance under the SPA.

Pending the issuance of final Award by the Arbitral Tribunal, the Management believes the liability being carried towards the purchase consideration of acquisition is adequate and no further provision is required.

6. Exceptional item comprises of the following:

Particulars	Quarter ended			Year ended
	June 30, 2022	March 31, 2022	June 30, 2021	March 31, 2022
	(Unaudited)	(Audited)	(Unaudited)	(Audited)
Interest and additional purchase consideration (refer note 5 above)	4,444.98	-	-	-
Net fair value adjustments in contingent purchase consideration payable	-	169.34	-	169.34
<b>Total, net</b>	<b>4,444.98</b>	<b>169.34</b>	-	<b>169.34</b>

7. The previous quarter / year figures have been regrouped / rearranged wherever necessary to conform with the current quarter presentation.

8. For the purpose of computation of diluted EPS for the quarter ended June 30, 2022, the effect of stock options granted under ESOP scheme have not been considered as the effect of these potentially diluted equity shares are anti-dilutive. Hence basic and diluted EPS are same.

9. The figures of the quarter ended March 31, 2022 are the balancing figures between audited figures in respect of the full financial year up to March 31, 2022 and the unaudited published year to-date figures up to December 31, 2021, being the date of the end of the third quarter of the respective financial year, which were subjected to limited review.



**AXISCADES Technologies Limited**  
**CIN NO: L72200KA1990PLC084435**

**Regd. Office: Block C, Second Floor, Kirloskar Business Park, Bengaluru - 560024, Karnataka, India**  
**Website: www.axiscades.com, Email: info@axiscades.com, Tel: +91 80 4193 9000, Fax: +91 80 4193 9099**

(₹ In lakhs)

**Statement of unaudited consolidated financial results for the quarter ended June 30, 2022**

10. These quarterly consolidated financial results as well as the year to date results includes the results of the following entities:

- a. AXISCADES Technologies Limited
- b. AXISCADES, Inc.
- c. Cades Studec Technologies (India) Private Limited
- d. AXISCADES Aerospace & Technologies Private Limited
- e. AXISCADES UK Limited
- f. AXISCADES Technology Canada Inc.
- g. Axis Mechanical Engineering Design (Wuxi) Co., Ltd.,
- h. AXISCADES GmbH
- i. AXISCADES Aerospace & Infrastructure Private Limited
- j. Mistral Solutions Private Limited
- k. Mistral Solutions Inc.
- l. Aero Electronics Private Limited
- m. Mistral Technologies Private Limited
- n. Enertec Controls Limited
- o. ASSYSTEM AXISCADES Engineering Private Limited (Associate)

11. The above unaudited consolidated financial results of the Group are available on the Company's website (www.axiscades.com) and also on the website of BSE (www.bseindia.com) and NSE (www.nseindia.com), where the shares of the Company are listed.

For **AXISCADES Technologies Limited**

  
Director  
Arun Krishnamurthi  
CEO & Managing Director

Place : London, UK  
Date : August 10, 2022