

**Independent Auditor's Review Report on the Quarterly and Year to Date Unaudited Standalone 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 standalone financial results of AXISCADES Technologies Limited (the "Company") for the quarter ended December 31, 2022 and year to date from April 1, 2022 to December 31, 2022 (the "Statement") attached herewith, being submitted by the 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 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 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.
4. Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the 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.

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

Chartered Accountants

**ICAI Firm registration number: 101049W/E300004**

**Sunil**  
**Gaggar**

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per Sunil Gaggar  
Partner  
Membership No.: 104315

UDIN: 23104315BGXPYB8791

Place: Bengaluru  
Date: February 12, 2023

(₹ in lakhs)

Statement of unaudited standalone financial results for the quarter and nine months ended December 31, 2022

Particulars	Quarter ended			Nine months ended		Year ended
	December 31, 2022	September 30, 2022	December 31, 2021	December 31, 2022	December 31, 2021	March 31, 2022
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
<b>I. Income</b>						
(a) Revenue from contracts with customers	7,579.68	6,740.12	5,211.60	20,441.15	13,036.10	18,198.07
(b) Other income	32.64	73.56	55.78	121.58	190.69	204.57
<b>Total Income</b>	<b>7,612.32</b>	<b>6,813.68</b>	<b>5,267.38</b>	<b>20,562.73</b>	<b>13,226.79</b>	<b>18,402.64</b>
<b>II. Expenses</b>						
(a) Employee benefits expense	4,387.00	3,933.45	2,976.46	12,003.98	8,310.78	11,403.96
(b) Finance costs	1,081.42	803.09	303.64	2,016.04	915.17	1,171.56
(c) Depreciation and amortisation expense	261.49	291.31	237.87	789.23	695.25	950.96
(d) Other expenses	1,638.40	1,472.55	1,538.28	4,470.80	3,759.30	5,271.18
<b>Total expenses</b>	<b>7,368.31</b>	<b>6,500.40</b>	<b>5,056.25</b>	<b>19,280.05</b>	<b>13,680.50</b>	<b>18,797.66</b>
<b>III. Profit / (Loss) before exceptional items and tax (I-II)</b>	<b>244.01</b>	<b>313.28</b>	<b>211.13</b>	<b>1,282.68</b>	<b>(453.71)</b>	<b>(395.02)</b>
<b>IV. Exceptional items, net (refer note 5)</b>	<b>2,780.11</b>	<b>-</b>	<b>-</b>	<b>(1,664.87)</b>	<b>-</b>	<b>750.42</b>
<b>V. Profit / (Loss) before tax (III+IV)</b>	<b>3,024.12</b>	<b>313.28</b>	<b>211.13</b>	<b>(382.19)</b>	<b>(453.71)</b>	<b>355.40</b>
<b>VI. Tax expense</b>						
Current tax	185.78	15.28	11.56	259.52	30.48	114.41
Tax expense/(credit) of prior period/year	(342.68)	1.89	-	(340.79)	-	26.04
Deferred tax charge / (credit)	52.47	23.88	-	223.23	-	(92.93)
<b>VII. Profit / (Loss) for the period / year (V - VI)</b>	<b>3,128.55</b>	<b>272.23</b>	<b>199.57</b>	<b>(524.15)</b>	<b>(484.19)</b>	<b>307.88</b>
<b>VIII. Other comprehensive income, net of tax [(loss) / profit]</b>						
Other comprehensive income not to be reclassified to profit or loss in subsequent periods:						
Remeasurement gain / (losses) in defined benefit plans	(19.10)	(46.83)	(13.86)	(57.29)	(41.57)	34.54
Income tax effect	5.31	13.03	3.47	15.94	10.44	(9.61)
Other comprehensive income to be reclassified to profit or loss in subsequent periods:						
Gain / (losses) on cash flow hedges	48.91	(104.84)	33.30	(122.81)	67.17	19.08
Income tax effect	(13.57)	29.15	(8.38)	34.17	(16.90)	(5.31)
<b>IX. Total comprehensive income / (loss) for the period / year (VII+VIII)</b>	<b>3,150.10</b>	<b>162.74</b>	<b>214.10</b>	<b>(654.14)</b>	<b>(465.05)</b>	<b>346.58</b>
<b>X. Paid-up equity share capital ( ₹ 5/- each)</b>	<b>1,911.50</b>	<b>1,901.68</b>	<b>1,889.51</b>	<b>1,911.50</b>	<b>1,889.51</b>	<b>1,897.23</b>
<b>XI. Other equity</b>						<b>14,729.98</b>
<b>XII. Earnings / (Loss) per share ("EPS") (of ₹ 5/- Each)*</b>						
Basic EPS (₹)	8.22	0.72	0.53	(1.38)	(1.28)	0.81
Diluted EPS (₹) (refer note 6)	7.54	0.68	0.52	(1.38)	(1.28)	0.80

\* EPS is not annualised for interim periods.

**Notes:**

- In terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, the aforesaid Statement of unaudited standalone financial results for the quarter and nine months ended December 31, 2022 of the AXISCADES Technologies Limited (hereinafter referred to as the "Company") has been reviewed by the Audit Committee and approved by the Board of Directors at their meeting held on February 12, 2023. The aforesaid unaudited standalone financial results for the quarter and nine months ended December 31, 2022 have been subjected to limited review by the statutory auditors of the Company.
- The 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 from time to time.
- The Company is engaged in the business of "Technology Services and Solutions". These, in the context of Ind AS 108 on Operating Segments Reporting are considered to constitute one segment and hence the Company has not made any additional segment disclosures.

Place : Bengaluru  
Date : February 12, 2023



for AXISCADES Technologies Limited

*Arun Krishnamurthi*

Arun Krishnamurthi  
CEO & Managing Director

Statement of unaudited standalone financial results for the quarter and nine months ended December 31, 2022

4. 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 was 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 along with interest as the scheme of merger has not yet been approved. 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, to ensure completion of acquisition of 100% of shares of MSPL by the Company. In accordance with the Interim Award –

- The Company has discharged the purchase consideration for all the phases including Phase II and has filed an application to withdraw the Scheme of amalgamation;
- The Company has recorded an additional charge of Rs. 4,444.98 lakhs (including interest of Rs. 2,944.84 lakhs and additional consideration of Rs. 1,500 lakhs) during the quarter ended June 30, 2022 and nine months ended December 31, 2022 as an exceptional item; and
- during the quarter and nine months ended December 31, 2022, consequent to non-approval of the abovementioned Scheme, the Company has acquired 100% shares of Explosoft in cash (including accrued interest of Rs. 2,293.86 lakhs).

The Arbitral Tribunal has issued the Final Arbitration Award dated January 13, 2023, stating that all the parties have discharged their obligations in accordance with the Interim Award and accordingly, terminated the Arbitration proceedings.

5. Exceptional item comprises of the following:

Particulars	Quarter ended			Nine months ended		Year ended
	December 31, 2022	September 30, 2022	December 31, 2021	December 31, 2022	December 31, 2021	March 31, 2022
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
Interest and additional purchase consideration (refer note 4 above)	(2,293.86)	-	-	(6,738.84)	-	-
Reversal of impairment allowance on investment/ fair value change in contingent purchase consideration payable	5,073.97	-	-	5,073.97	-	750.42
<b>Total, net</b>	<b>2,780.11</b>	<b>-</b>	<b>-</b>	<b>(1,664.87)</b>	<b>-</b>	<b>750.42</b>

As at December 31, 2022, the Company has carried out assessment of carrying value of investment in the subsidiary company i.e. MSPL. Based on the assessment the recoverable amount is more than its carrying value, accordingly, the Company has reversed impairment loss of Rs. 5,073.97 lakhs for the quarter and period ended December 31, 2022 on its investments in MSPL. In the previous year March 31, 2022, the Company had reversed impairment loss of Rs. 1,535.80 lakhs on its investments in MSPL. The Company had also recognised a net fair value expense of Rs. 785.38 lakhs for the year ended March 31, 2022 on re-estimation of the contingent purchase consideration payable as per the terms of the Share Purchase Agreement ('SPA').

6. For the purpose of computation of diluted EPS for the nine months ended December 31, 2022 and December 31, 2021, 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.

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

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

Place : Bengaluru  
 Date : February 12, 2023



for AXISCADES Technologies Limited

*Arun Krishnamurthi*

Arun Krishnamurthi  
 CEO & Managing Director