

Independent Auditor's Review Report on the Quarterly and Year to Date Unaudited Standalone 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 (formerly AXISCADES Engineering Technologies Limited)

1. We have reviewed the accompanying statement of unaudited standalone Ind AS Financial Results of AXISCADES Technologies Limited (formerly AXISCADES Engineering Technologies Limited) (the "Company") for the quarter ended September 30, 2021 and the year to date from April 1, 2021 to September 30, 2021 (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. This Statement, which is the responsibility of the Company's Management and approved by the Company's Board of Directors, has been prepared 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. 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.
5. **Emphasis of Matters**
 - i) We draw attention to Note 3 of the Statement, which describes the Management's assessment of the impact of uncertainties caused by COVID-19 pandemic and its consequential impact it may have on the operations of the Company. Our conclusion is not modified in respect of this matter.

S.R. BATLIBOI & ASSOCIATES LLP

Chartered Accountants

- ii) We draw attention to Note 5 of the Statement in respect of dispute between the Company and Shareholders of Mistral Solutions Private Limited in relation to the implementation of the Share Purchase Agreement (“SPA”) dated 1 December 2017. The matter is pending before the Arbitral Tribunal and the final outcome of the matter is not known currently. Our conclusion is not modified in respect of this matter.

For S.R. BATLIBOI & ASSOCIATES LLP

Chartered Accountants

ICAI Firm registration number: 101049W/E300004

SUNIL
GAGGAR

Digitally signed by
SUNIL GAGGAR
Date: 2021.11.09
19:29:07 +05'30'

per Sunil Gaggar

Partner

Membership No.: 104315

UDIN: 21104315AAAACR2808

Place: Bengaluru

Date : November 9, 2021

Unaudited Standalone Statement of Assets and Liabilities

SI No	Particulars	As at	
		September 30, 2021 (Unaudited)	March 31, 2021 (Audited)
	Assets		
A	Non-current assets		
	Property, plant and equipment	269.56	282.07
	Other intangible assets	207.01	288.56
	Right of use assets	1,977.26	2,291.89
	Financial assets		
	Investments	32,021.43	32,021.43
	Other financial assets	592.80	710.42
	Deferred tax assets, net	758.27	759.82
	Non-current tax asset, net	593.69	409.73
	Total non-current assets	36,420.02	36,763.92
B	Current assets		
	Financial assets		
	Trade receivables	3,730.59	2,819.74
	Cash and cash equivalents	367.10	1,615.44
	Bank balances other than cash and cash equivalents	21.06	20.73
	Other financial assets	2,739.49	2,504.46
	Other current assets	1,649.66	1,760.88
	Total current assets	8,507.90	8,721.25
	Total assets (A+B)	44,927.92	45,485.17
	Equity and liabilities		
C	Equity		
	Equity share capital	1,889.51	1,889.51
	Other equity	13,430.75	13,959.80
	Total equity	15,320.26	15,849.31
D	Non-current liabilities		
	Financial liabilities		
	Borrowings	675.25	1,087.96
	Lease liabilities	713.91	1,019.98
	Other financial liabilities	-	4,707.52
	Provisions	656.31	610.93
	Non-current liabilities	2,045.47	7,426.39
E	Current liabilities		
	Financial liabilities		
	Borrowings	4,103.95	3,924.09
	Lease liabilities	605.70	611.31
	Trade payables		
	(a) Total outstanding dues of micro and small enterprises	1.95	4.30
	(b) Total outstanding dues of creditors other than micro and small enterprises	1,037.93	1,171.02
	Other financial liabilities	20,824.04	15,838.24
	Provisions	477.20	425.59
	Other current liabilities	511.42	234.92
	Total current liabilities	27,562.19	22,209.47
	Total equity and liabilities (C+D+E)	44,927.92	45,485.17



For **AXISCADES Technologies Limited**

[Signature]
Director

Statement of unaudited standalone financial results for the quarter and half year ended September 30, 2021

Particulars	Quarter ended			Half year ended		Year ended
	September 30, 2021	June 30, 2021	September 30, 2020	September 30, 2021	September 30, 2020	March 31, 2021
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
I. Income						
(a) Revenue from contracts with customers	4,250.92	3,573.58	3,254.10	7,824.50	6,631.37	12,931.60
(b) Other income	49.93	111.14	231.34	161.07	285.68	584.98
Total Income	4,300.85	3,684.72	3,485.44	7,985.57	6,917.05	13,516.58
II. Expenses						
(a) Employee benefits expense	2,807.29	2,527.03	2,079.36	5,334.32	4,146.73	8,751.14
(b) Finance costs	313.52	298.01	394.36	611.53	849.65	1,500.77
(c) Depreciation and amortisation expense	231.21	226.17	364.03	457.38	690.69	1,202.59
(d) Other expenses	1,337.22	909.96	1,059.89	2,247.18	2,027.02	3,832.79
Total expenses	4,689.24	3,961.17	3,897.64	8,650.41	7,714.09	15,287.29
III. Loss before exceptional items and tax (I-II)	(388.39)	(276.45)	(412.20)	(664.84)	(797.04)	(1,770.71)
IV. Exceptional items, net (refer note 6)	-	-	(1,370.77)	-	(1,370.77)	(4,645.10)
V. Loss before tax (III+IV)	(388.39)	(276.45)	(1,782.97)	(664.84)	(2,167.81)	(6,415.81)
VI. Tax expense						
Current tax	5.23	13.69	30.79	18.92	43.76	96.74
Deferred tax charge / (credit)	-	-	(73.22)	-	(103.51)	(187.74)
VII. Loss for the period / year (V - VI)	(393.62)	(290.14)	(1,740.54)	(683.76)	(2,108.06)	(6,324.81)
VIII. Other comprehensive income, net of tax [(loss)/profit]						
Other comprehensive income not to be reclassified to profit or loss in subsequent periods:						
Remeasurement losses in defined benefit plans	(14.32)	(13.39)	(19.00)	(27.71)	(22.23)	(53.57)
Income tax effect	3.60	3.37	4.77	6.97	5.58	13.48
Other comprehensive income to be reclassified to profit or loss in subsequent periods:						
Gain on cash flow hedges	24.97	8.90	115.19	33.87	214.56	223.19
Income tax effect	(6.28)	(2.24)	(28.99)	(8.52)	(54.00)	(56.18)
IX. Total comprehensive loss for the period / year (VII+VIII)	(385.65)	(293.50)	(1,668.57)	(679.15)	(1,964.15)	(6,197.89)
X. Paid-up equity share capital (₹ 5/- each)	1,889.51	1,889.51	1,889.51	1,889.51	1,889.51	1,889.51
XI. Other equity						13,959.80
XII. Loss per share ("EPS") (of ₹ 5/- Each) (not annualised for quarters):						
Basic EPS (₹)	(1.04)	(0.77)	(4.61)	(1.81)	(5.58)	(16.75)
Diluted EPS (₹) (refer note 7)	(1.04)	(0.77)	(4.61)	(1.81)	(5.58)	(16.75)

1. 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 half year ended September 30, 2021 of the AXISCADES Technologies Limited (formerly AXISCADES Engineering Technologies Limited) (hereinafter referred to as the "Company") has been reviewed by the Audit Committee at their meeting held on November 08, 2021 and approved by the Board of Directors at their meeting held on November 09, 2021 have been subjected to limited review by the statutory auditors of the Company.

2. The Unaudited standalone 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.

3. Pursuant to the continuing COVID-19 pandemic, the Company has assessed the impact of this pandemic on its business operations and has considered all relevant internal and external information available up to the date of approval of these financial results, in determination of the recoverability and carrying value of the assets. Similarly, the Company has also evaluated its ability to meet the financial commitments to its lender etc. in view of expected impact of COVID-19 on its business. Based on the current estimates, the Company expects the carrying amount of these assets will be recovered. The impact of COVID-19 pandemic on the overall economic environment being uncertain may affect the underlying assumptions and estimates which may differ from that considered as at the date of approval of these financial results. Given the nature of the pandemic, the Company will continue to closely monitor any material changes to future economic conditions.

4. 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.



For AXISCADES Technologies Limited

[Signature]
Director

Statement of unaudited standalone financial results for the quarter and half year ended September 30, 2021

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 15th May, 2018, with NCLT, Mumbai for approval. Pending necessary approval from NCLT Mumbai Bench, no effect is given to aforesaid scheme of amalgamation.

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 has initiated arbitration proceedings against shareholders of MSPL and MSPL and the Arbitral Tribunal vide its interim order dated August 28, 2020 has asked to maintain the status quo with respect to shareholding in MSPL and has ordered shareholders of Mistral not to seek dismissal or rejection of abovementioned application for merger till further orders are issued by the Arbitral Tribunal. Additionally, both the parties are ordered to maintain status quo with respect to the existing constitution of the Board of Directors of MSPL. The matter is pending before the Arbitral Tribunal and the final outcome of the matter is not known currently.

The revenues (including other income) and profit of MSPL included in the consolidated results for the quarter ended September 30, 2021 is Rs. 4,096.86 lakhs and Rs. 371.91 lakhs and for the half year ended September 30, 2021 is Rs. 7,319.62 lakhs and Rs. 733.98, respectively.

The Company has also obtained a legal opinion to validate that the Company is entitled to all rights and obligations as laid out in the SPA and continues to exercise control on MSPL. Pending the final outcome of the matter, the Company believes there is no effect on the Company and no adjustment is required in the financial results.

6. Exceptional item comprises of the following:

Particulars	Quarter ended			Half year ended		Year ended
	September 30, 2021	June 30, 2021	September 30, 2020	September 30, 2021	September 30, 2020	March 31, 2021
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
Impairment loss	-	-	3,671.32		3,671.32	6,819.65
Fair value change in contingent purchase consideration payable	-	-	(2,300.55)		(2,300.55)	(2,174.55)
Total, net	-	-	1,370.77		1,370.77	4,645.10

The Company has recognised impairment loss of Rs. 3,516.33 lakhs for the quarter and half year ended September 30, 2020 and Rs. 6,609.66 lakhs for the year ended March 31, 2021, respectively on its investments in MSPL. In respect of AXISCADES China, the impairment loss on investment is Rs. 42.68 lakhs for the quarter and half year ended September 30, 2020 and for the year ended March 31, 2021. The Company has also recognised a net fair value gain of Rs. 2,300.55 lakhs for the quarter and half year ended September 30, 2020 and net fair value gain of Rs. 2,174.55 lakhs for the year ended March 31, 2021, respectively, on re-estimation of the contingent purchase consideration payable as per the terms of the Share Purchase Agreement ("SPA").

The Company has also created a provision for doubtful trade receivables (grouped under impairment loss) from Axiscades China of Rs. 112.31 lakhs for the quarter and half year ended September 30, 2020 and Rs.167.31 lakhs for the year ended March 31, 2021, respectively.

7. For the purpose of computation of diluted EPS 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.

8. The comparative figures have been regrouped / reclassified, where necessary, to conform to this quarter's classification as per the amendments in Schedule III to the Companies Act, 2013, which are effective April 1, 2021.

9. The above unaudited standalone financial results of the Company 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

AXISCADES Technologies Limited (formerly AXISCADES Engineering 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)

Unaudited standalone statement of cash flows for the half year ended September 30, 2021

	Period ended	
	September 30, 2021 (Unaudited)	September 30, 2020 (Unaudited)
A. Cash flow from operating activities		
Loss before tax	(664.84)	(2,167.81)
Adjustments to reconcile loss before tax to net cash flows:		
Depreciation and amortization expense	457.38	690.69
Interest income (including fair value change in financial instruments)	(49.29)	(68.47)
Interest expense (including fair value change in financial instruments)	611.53	849.65
Provision for Security deposit	33.83	-
Share based payment expense	125.02	20.66
Profit on sale of property, plant and equipment	-	(4.45)
Exceptional items, net (refer note: 6)	-	1,370.77
Net unrealised foreign exchange (gain) / loss	166.04	(85.44)
Operating profit before working capital changes	679.67	605.60
Movements in working capital		
(Increase)/Decrease in trade receivables	(899.40)	1,850.22
(Increase)/Decrease in other assets including financial assets	(4.82)	1,728.32
(Decrease)/Increase in trade payables, other liabilities and financial liabilities	62.07	(518.03)
Increase in provisions	37.86	37.68
Cash generated from operating activities	(124.62)	3,703.79
Direct taxes refund/ (paid)	(202.88)	1,030.38
Net cash generated from / (used in) operating activities (A)	(327.50)	4,734.17
B. Cash flow from investing activities		
Purchase of property, plant and equipment and intangible assets	(74.22)	(66.06)
Receipt of Intercompany deposit	-	210.00
Proceeds from sale of property, plant and equipment	-	4.45
Interest received	26.76	38.97
Investments in fixed deposits, net	(13.01)	(4.37)
Net cash from / (used) in investing activities (B)	(60.47)	182.99
C. Cash flow from financing activities		
Payment of principal and interest portion of lease liabilities	(360.16)	(514.14)
Repayment of borrowings	(289.17)	(754.05)
Interest paid	(188.21)	(424.68)
Net cash generated used in financing activities (C)	(837.54)	(1,692.87)
Net increase in cash and cash equivalents (A+B+C)	(1,225.51)	3,224.29
Effect of exchange rate changes, net	(22.83)	(3.64)
Cash and cash equivalents at the beginning of the period	1,615.44	654.52
Cash and cash equivalents at the end of the period	367.10	3,875.17



For AXISCADES Technologies Limited

[Signature]
Director