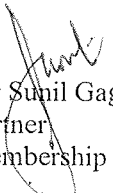
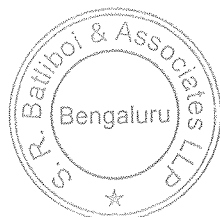


Review Report to  
The Board of Directors  
AXISCADES Engineering Technologies Limited

1. We have reviewed the accompanying statement of unaudited consolidated Ind AS financial results of AXISCADES Engineering Technologies Limited (the 'Company') and its subsidiaries (together referred to as 'the Group'), for the quarter ended December 31, 2018 and year to date from April 01, 2018 to December 31, 2018 (the "Statement"), being submitted by the Company pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('the Regulation'), read with SEBI Circular No. CIR/CFD/FAC/62/2016 dated July 5, 2016 ('the Circular').
2. 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 read with Rule 3 of Companies (Indian Accounting Standards) Rules, 2015, as amended, read with the Circular is the responsibility of the Company's Management and has been approved by the Board of Directors of the Company. Our responsibility is to express a conclusion on the Statement based on our review.
3. We conducted our review 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 is limited primarily to inquiries of company's personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.
4. Based on our review conducted as above and based on the consideration of the reports of other auditors on the unaudited separate quarterly financial results and on the other financial information of subsidiaries, nothing has come to our attention that causes us to believe that the Statement prepared in accordance with the recognition and measurement principles laid down in Ind AS 34 specified under Section 133 of the Companies Act, 2013, read with relevant rules issued thereunder and other recognised accounting practices and policies has not disclosed the information required to be disclosed in terms of the Regulation, read with the Circular, including the manner in which it is to be disclosed, or that it contains any material misstatement.
5. We did not review the financial results and other financial information, in respect of eleven subsidiaries, whose Ind AS financial results include total revenues (including other income) of Rs 5,942 lakhs and Rs 16,279 lakhs for the quarter and the period ended on that date. These Indian Accounting Standards ("Ind AS") financial results and other financial information have been reviewed by other auditors, whose financial results, other financial information and limited review reports have been furnished to us by the Company's Management. Our conclusion, in so far as it relates to the affairs of such subsidiaries is based solely on the report of other auditors. Our conclusion is not qualified in respect of this matter.

For S.R. BATLIBOI & ASSOCIATES LLP  
Chartered Accountants  
ICAI Firm registration number: 101049W/E300004

  
per Sumil Gaggar  
Partner  
Membership No.: 104315



Place: Bengaluru  
Date: February 2, 2019

**AXISCADES Engineering Technologies Limited**

CIN NO: L72200KA1990PLC084435

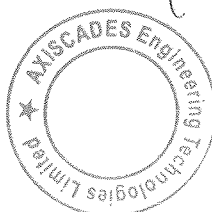
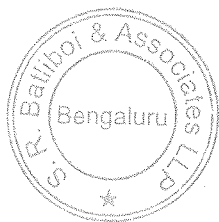
Regd. Office: Block C, Second Floor, Kirloskar Business Park, Bengaluru - 560024, Karnataka, India  
Website: www.axiscades.com, Email: info@axiscades.com, Tel: +91 80 4193 9000, Fax: +91 80 4193 9099

(₹ In Lakhs)

**Statement of unaudited consolidated financial results for the quarter and nine months ended December 31, 2018**

Particulars	Quarter ended			Nine months ended		Year ended
	December 31, 2018	September 30, 2018	December 31, 2017	December 31, 2018	December 31, 2017	March 31, 2018
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
<b>I. REVENUE</b>						
(a) Revenue from operations	15,934.63	16,243.64	14,415.48	44,326.37	37,063.02	51,915.67
(b) Other operating income (refer note 4)	52.70	37.73	-	204.82	-	-
(c) Other income	92.05	109.15	97.14	414.86	666.96	1,507.02
<b>TOTAL REVENUE</b>	<b>16,079.38</b>	<b>16,390.52</b>	<b>14,512.62</b>	<b>44,946.05</b>	<b>37,729.98</b>	<b>53,422.69</b>
<b>II. EXPENSES</b>						
(a) Cost of materials consumed	2,381.43	2,987.74	1,818.73	6,686.30	2,896.07	5,488.40
(b) Employee benefits expense	9,178.09	8,815.46	7,118.82	25,940.27	20,081.28	28,366.22
(c) Finance costs	613.32	417.19	381.50	1,582.74	753.78	1,368.97
(d) Depreciation and amortisation expense	479.22	490.60	541.59	1,489.82	1,430.60	1,876.32
(e) Project consultancy charges	593.48	725.92	1,633.57	1,992.47	4,785.33	5,455.43
(f) Other expenses (refer note 9)	2,697.33	4,362.17	2,394.67	9,569.91	6,827.99	10,847.08
<b>TOTAL EXPENSES</b>	<b>15,942.87</b>	<b>17,799.08</b>	<b>13,888.88</b>	<b>47,260.91</b>	<b>36,775.05</b>	<b>53,402.42</b>
<b>III. PROFIT/(LOSS) BEFORE EXCEPTIONAL ITEMS AND TAX (I-II)</b>	<b>136.51</b>	<b>(1,408.56)</b>	<b>623.74</b>	<b>(2,314.86)</b>	<b>954.93</b>	<b>20.27</b>
IV. Exceptional items Income/(loss) (refer note 5)	-	1,450.68	(123.57)	1,450.68	(298.69)	(298.69)
<b>V. PROFIT/(LOSS) BEFORE TAX AND NON CONTROLLING INTEREST (III-IV)</b>	<b>136.51</b>	<b>42.12</b>	<b>500.17</b>	<b>(864.18)</b>	<b>656.24</b>	<b>(278.42)</b>
VI. Tax expense:						
- Current tax	219.22	270.88	230.67	551.43	372.41	801.36
- Tax for earlier period / years	-	-	-	-	-	58.79
- Deferred tax charge/(credit)	(21.23)	(237.05)	(99.85)	(569.16)	(182.62)	(357.37)
<b>VII. PROFIT/(LOSS) AFTER TAX</b>	<b>(61.48)</b>	<b>8.29</b>	<b>369.35</b>	<b>(846.45)</b>	<b>466.45</b>	<b>(781.20)</b>
VIII. Other Comprehensive Income, net of tax	231.31	(111.50)	(141.78)	89.05	(98.39)	(103.00)
<b>IX. TOTAL COMPREHENSIVE INCOME FOR THE PERIOD /YEAR</b>	<b>169.83</b>	<b>(103.21)</b>	<b>227.57</b>	<b>(757.40)</b>	<b>368.06</b>	<b>(884.20)</b>
Total Comprehensive income attributable to						
Owners of the Company	158.68	(114.78)	216.65	(791.56)	335.53	(927.98)
Non controlling interest	11.15	11.57	10.92	34.16	32.53	43.78
<b>X. Paid up equity share capital (₹ 5/- each)</b>	<b>1,889.51</b>	<b>1,889.51</b>	<b>1,889.51</b>	<b>1,889.51</b>	<b>1,889.51</b>	<b>1,889.51</b>
<b>XI. Other equity</b>						<b>27,262.72</b>
<b>XII. Earnings per share. ('EPS') (of ₹ 5 each) (not annualised for the period)</b>						
Basic EPS (in ₹)	(0.19)	(0.01)	0.95	(2.33)	1.15	(2.18)
Diluted EPS (in ₹)	(0.19)	(0.01)	0.92	(2.33)	1.14	(2.18)

- Notes:**
- In terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, the aforesaid statement of unaudited consolidated financial results ("financial results") for the quarter and nine months ended December 31, 2018 of the Company has been reviewed by the Audit Committee and approved by the Board of Directors at its meeting held on February 2, 2019.
  - 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, read with relevant rules thereunder and in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and SEBI Circular No. CIR/CFD/FAC/62/2016 dated July 5, 2016.
  - Ind AS 115 Revenue from Contracts with Customers, mandatory for reporting periods beginning on or after April 1, 2018, replaces existing revenue recognition requirements. Under the modified retrospective approach there were no significant adjustments required to the retained earnings at April 1, 2018. Also, the application of Ind AS 115 did not have any significant impact on recognition and measurement of revenue and related items in the financial results.
  - During the quarter and nine months ended December 31, 2018, the Group has recognised other operating income from export incentives under the provisions of Foreign Trade Policy (1 April 2015 - 31 March 2020), as amended from time to time, aggregating Rs. 52.70 lakhs and 204.82 lakhs respectively. The Management believes that it has satisfied all the conditions to receive the incentive and is in the process of filing the claim.



5. Exceptional items comprise the following:

Particulars	Quarter ended			Nine months ended		Year ended
	December 31, 2018	September 30, 2018	December 31, 2017	December 31, 2018	December 31, 2017	March 31, 2018
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
Merger expenses	-	-	(123.57)	-	(298.69)	(298.69)
Fair value change in contingent consideration (refer note 8)	-	1,450.68	-	1,450.68	-	-
<b>Total</b>	<b>-</b>	<b>1,450.68</b>	<b>(123.57)</b>	<b>1,450.68</b>	<b>(298.69)</b>	<b>(298.69)</b>

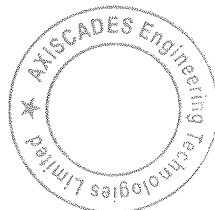
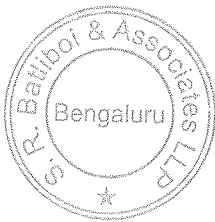
6. The financial results of the Company on standalone basis is as follows:

Particulars	Quarter ended			Nine months ended		Year ended
	December 31, 2018	September 30, 2018	December 31, 2017	December 31, 2018	December 31, 2017	March 31, 2018
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
Total revenue (including other income)	6,312.09	5,509.61	6,384.44	16,805.65	18,051.07	23,951.76
Profit/(Loss) before tax	52.34	854.75	(132.29)	(156.11)	(355.00)	(1,084.15)
Profit/(Loss) after tax	52.34	1,084.69	(151.12)	206.27	(299.79)	(941.81)
Total Comprehensive Income for the period /year	202.00	1,011.95	(129.60)	223.24	(425.18)	(1,124.58)

7. 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) "Engineering Design Services" and (b) "Strategic Technology Solutions".

Segment wise revenue, results, assets and liabilities

Particulars	Quarter ended			Nine months ended		Year ended
	December 31, 2018	September 30, 2018	December 31, 2017	December 31, 2018	December 31, 2017	March 31, 2018
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
<b>1. Segment revenue</b>						
(a) Engineering design services	13,387.92	11,921.88	11,413.98	35,846.14	31,261.44	41,209.40
(b) Strategic technology solutions	2,599.41	4,359.49	3,001.50	8,685.05	5,801.58	10,706.27
<b>Total</b>	<b>15,987.33</b>	<b>16,281.37</b>	<b>14,415.48</b>	<b>44,531.19</b>	<b>37,063.02</b>	<b>51,915.67</b>
Less: inter segment revenue	-	-	-	-	-	-
<b>Net sales/income from operations</b>	<b>15,987.33</b>	<b>16,281.37</b>	<b>14,415.48</b>	<b>44,531.19</b>	<b>37,063.02</b>	<b>51,915.67</b>
<b>2. Segment results</b>						
(Profit)/(Loss) before tax, interest and exceptional item from each segment						
(a) Engineering design services	1,220.63	(783.80)	507.94	811.58	372.24	(875.26)
(b) Strategic technology solutions	(416.74)	(154.03)	400.16	(1,476.29)	669.51	915.06
<b>Total</b>	<b>803.89</b>	<b>(937.83)</b>	<b>908.10</b>	<b>(664.71)</b>	<b>1,041.75</b>	<b>39.80</b>
Less: i) Interest expenses	(613.32)	(417.19)	(381.50)	(1,582.74)	(753.78)	(1,368.97)
ii) Exceptional items (refer note 5 and 8)	-	1,450.68	(123.57)	1,450.68	(298.69)	(298.69)
iii) Other Unallocable expenditure	(146.11)	(162.69)	-	(482.27)	-	(157.58)
Add: i) Other income	92.05	109.15	97.14	414.86	666.96	1,507.02
<b>Total profit/(loss) before tax</b>	<b>136.51</b>	<b>42.12</b>	<b>500.17</b>	<b>(864.18)</b>	<b>656.24</b>	<b>(278.42)</b>
<b>3. Segment assets</b>						
(a) Engineering design services	45,117.69	44,873.03	32,312.61	45,117.69	32,312.61	42,652.70
(b) Strategic technology solutions	26,546.95	28,836.08	26,332.53	26,546.95	26,332.53	28,960.55
(c) Unallocable assets	6,074.73	3,973.23	19,757.29	6,074.73	19,757.29	4,142.36
<b>Total</b>	<b>77,739.37</b>	<b>77,682.34</b>	<b>78,402.43</b>	<b>77,739.37</b>	<b>78,402.43</b>	<b>75,755.91</b>
<b>4. Segment liabilities</b>						
(a) Engineering design services	35,853.47	36,205.06	11,711.37	35,853.47	11,711.37	33,610.34
(b) Strategic technology solutions	12,097.87	11,285.99	12,362.54	12,097.87	12,362.54	11,605.09
(c) Unallocable liabilities	957.98	1,155.81	23,499.87	957.98	23,499.87	1,023.84
<b>Total</b>	<b>48,909.32</b>	<b>48,646.86</b>	<b>47,573.78</b>	<b>48,909.32</b>	<b>47,573.78</b>	<b>46,239.27</b>



*Vivek*

8. During the previous year, the Company entered into a shareholder's agreement to acquire 100% stake in Mistral Solutions Private Limited ("MSPL") alongwith its subsidiaries in a phased manner. MSPL Group is engaged in rendering end to end services for product design and development in the embedded space. The Company acquired control of MSPL effective December 01, 2017. Further, during the quarter ended June 30, 2018, the Company has filed an application with National Company Law Tribunal ("NCLT") for amalgamation of Explsoft Tech Solutions Pvt Ltd (erstwhile holding company of MSPL) with the Company, on receipt of observation letter conveying 'no objection' from BSE Limited and the National Stock Exchange. Pending necessary regulatory approvals, no effect is given to aforesaid scheme of amalgamation.

Consequent to aforesaid mentioned, results of the operations of the Group includes total revenue of ₹ 4,476.83 lakhs and ₹ 11,993.96 lakhs and net profit/(loss) of ₹ 343.59 lakhs and ₹ 1,218.47 lakhs attributable to the operations of MSPL for the quarter and nine months ended December 31, 2018 respectively.

During the previous quarter, the Company, has re-estimated the fair value of the contingent consideration payable as per the terms of the share purchase agreement considering the current actual performance and the revised projections of MSPL.

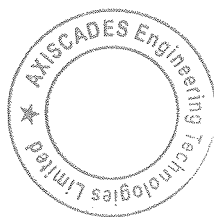
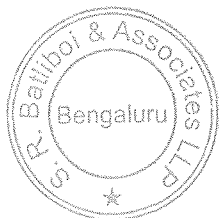
9. Other expenses include provision for bad and doubtful debts as follows:

Particulars	Quarter ended			Nine months ended		Year ended
	December 31, 2018	September 30, 2018	December 31, 2017	December 31, 2018	December 31, 2017	March 31, 2018
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
Provision for bad and doubtful debts	186.03	1,307.75	-	1,493.78	29.54	878.41
<b>Total</b>	<b>186.03</b>	<b>1,307.75</b>	<b>-</b>	<b>1,493.78</b>	<b>29.54</b>	<b>878.41</b>

The provisions pertains to receivables from customers whose payments are significantly delayed.

The Board in its meeting held on January 14, 2019, took note of all relevant information and various steps taken by the Management to recover the dues from one party and in that context has approved legal actions interalia to hasten the process of recovery.

10. The above unaudited consolidated financial results of the Company are available on the Company's website ([www.axiscades.com](http://www.axiscades.com)) and also on the website of BSE ([www.bseindia.com](http://www.bseindia.com)) and NSE ([www.nseindia.com](http://www.nseindia.com)), where the shares of the Company are listed.



Vivek 17/7/19