

Statement of unaudited standalone financial results for the quarter and nine months ended December 31, 2020

Particulars	Quarter ended			Nine months ended		Year ended
	December 31, 2020 (Unaudited)	September 30, 2020 (Unaudited)	December 31, 2019 (Unaudited)	December 31, 2020 (Unaudited)	December 31, 2019 (Unaudited)	March 31, 2020 (Audited)
I. Revenue						
(a) Revenue from contracts with customers	3,154.68	3,254.10	6,059.76	9,786.05	16,950.82	22,659.36
(b) Other operating income	-	-	64.54	-	158.68	551.66
(c) Other income	166.93	231.34	32.18	452.61	132.15	263.99
Total revenue	3,321.61	3,485.44	6,156.48	10,238.66	17,241.65	23,475.01
II. Expenses						
(a) Employee benefits expense	2,288.42	2,079.36	3,661.26	6,435.15	10,930.70	14,465.34
(b) Finance costs	323.17	394.36	526.73	1,172.82	1,498.20	1,893.31
(c) Depreciation and amortisation expense	252.62	364.03	320.50	943.31	987.81	1,346.94
(d) Other expenses	865.32	1,059.89	1,426.84	2,892.34	4,210.65	5,869.91
Total expenses	3,729.53	3,897.64	5,935.33	11,443.62	17,627.36	23,575.50
III. Profit/(Loss) before exceptional items and tax (I-II)	(407.92)	(412.20)	221.15	(1,204.96)	(385.71)	(100.49)
IV. Exceptional items, net (refer note 6)	-	(1,370.77)	-	(1,370.77)	-	-
V. Profit/(Loss) before tax (III+IV)	(407.92)	(1,782.97)	221.15	(2,575.73)	(385.71)	(100.49)
VI. Tax expense						
Current tax	10.62	30.79	-	54.38	-	60.62
Deferred tax charge / (credit)	-	(73.22)	148.62	(103.51)	148.62	287.21
VII. Profit/(Loss) for the period / year (V - VI)	(418.54)	(1,740.54)	72.53	(2,526.60)	(534.33)	(448.32)
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	(11.12)	(19.00)	-	(33.35)	-	(100.39)
Income tax effect	2.79	4.77	-	8.37	-	25.27
Other comprehensive income to be reclassified to profit or loss in subsequent periods:						
Gain /(losses) on cash flow hedges	36.02	115.19	22.48	250.58	(28.97)	(230.83)
Income tax effect	(9.07)	(28.99)	(6.55)	(63.07)	8.44	58.10
IX. Total comprehensive income/ (loss) for the period / year (VII+VIII)	(399.92)	(1,668.57)	88.46	(2,364.07)	(554.86)	(696.17)
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						20,020.85
XII. Earning /(Loss) per share ("EPS") (of ₹ 5/- Each) (not annualised):						
Basic (EPS) (₹)	(1.11)	(4.61)	0.19	(6.69)	(1.42)	(1.19)
Diluted (EPS) (₹) (refer note 8)	(1.11)	(4.61)	0.19	(6.69)	(1.42)	(1.19)

For AXISCADES Technologies Limited

Director



Statement of unaudited standalone financial results for the quarter and nine months ended December 31, 2020

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 nine months ended December 31, 2020 of the AXISCADES Technologies Limited (formerly AXISCADES Engineering 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 05, 2021. The aforesaid unaudited standalone financial results for the quarter and nine months ended December 31, 2020 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. The World Health Organization declared COVID-19 to be a pandemic. This impacted the business activities of the Company. The Company has been taking various precautionary measures to protect employees and their family from COVID-19. 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 unaudited standalone 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 the expected adverse impact of COVID-19 on its revenue and profitability. 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 unaudited standalone 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 "Engineering Design Services". 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.

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 ("MSP 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 Tech Solutions Pvt. Ltd. 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 December 31, 2020 is Rs 3,911.99 lakhs and Rs 438.78 lakhs and for the nine months ended December 31, 2020 is Rs 10,088.50 lakhs and Rs 973.80 lakhs, 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			Nine months ended		Year ended
	December 31, 2020	September 30, 2020	December 31, 2019	December 31, 2020	December 31, 2019	March 31, 2020
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
Impairment loss	-	3,671.32	-	3,671.32	-	-
Fair value change in contingent purchase consideration payable	-	(2,300.55)	-	(2,300.55)	-	-
Total, net	-	1,370.77	-	1,370.77	-	-

During the quarter ended September 30, 2020, the Company had carried out an impairment assessment based on the impairment indicators and determined that the recoverable value of the investments in Mistral Solutions Private Limited ("MSPL") and Axis Mechanical Engineering Design (Wuxi) Co., Ltd ("AXISCADES China") is lower than their respective carrying values. Accordingly, the Company has recognised impairment loss of Rs. 3,516.33 lakhs and Rs. 42.68 lakhs on its investments in MSPL and Axiscades China respectively, and also created a provision for doubtful trade receivables of Rs.112.31 lakhs from Axiscades China. The Company has also recognised a fair value gain of Rs. 2,300.55 lakhs on re-estimation of the contingent purchase consideration payable as per the terms of the Share Purchase Agreement ("SPA").

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

8. 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.

9. The Code on Social Security, 2020 ("Code") relating to employee benefits during employment and post-employment benefits received Presidential assent in September 2020. The Code has been published in the Gazette of India. However, the date on which the Code will come into effect has not been notified and the final rules/interpretation have not yet been issued. The Company will assess the impact of the Code when it comes into effect and will record any related impact in the period the Code becomes effective.

10. The name of the Company has been changed to AXISCADES Technologies Limited from AXISCADES Engineering Technologies Limited vide approval dated November 10, 2020 from Registrar of Companies, India.

11. 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

