

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 September 30, 2022 and year to date from April 1, 2022 to September 30, 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.

5. Emphasis of Matter

We draw attention to Note 4 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.

For S.R. BATLIBOI & ASSOCIATES LLP

Chartered Accountants

ICAI Firm registration number: 101049W/E300004

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Partner

Membership No.: 104315

UDIN: 22104315BCRFXJ5470

Place: Bengaluru

Date: November 09, 2022

Unaudited standalone Balance Sheet as at September 30, 2022

SI No	Particulars	As at	
		September 30, 2022 (Unaudited)	March 31, 2022 (Audited)
	Assets		
A	Non-current assets		
	Property, plant and equipment	536.50	447.50
	Other intangible assets	160.51	144.38
	Right of use assets	2,242.77	1,797.15
	Financial assets		
	Investments	33,329.73	33,557.23
	Other financial assets	744.42	403.44
	Deferred tax assets, net	725.44	837.84
	Non-current tax asset, net	955.04	699.77
	Other non-current assets	6.29	11.36
	Total non-current assets	38,700.70	37,898.67
B	Current assets		
	Financial assets		
	Trade receivables	5,431.76	3,844.45
	Cash and cash equivalents	367.28	642.42
	Bank balances other than cash and cash equivalents	4,228.10	239.44
	Other financial assets	3,549.13	2,614.37
	Other current assets	1,308.30	1,491.42
	Total current assets	14,884.57	8,832.10
	Total assets (A+B)	53,585.27	46,730.77
	Equity and liabilities		
C	Equity		
	Equity share capital	1,901.68	1,897.23
	Other equity	11,323.42	14,729.98
	Total equity	13,225.10	16,627.21
D	Non-current liabilities		
	Financial liabilities		
	Borrowings	10,456.38	250.00
	Lease liabilities	1,042.45	471.06
	Provisions	649.89	610.26
	Non-current liabilities	12,148.72	1,331.32
E	Current liabilities		
	Financial liabilities		
	Borrowings	8,565.19	3,582.19
	Lease liabilities	587.26	724.61
	Trade payables		
	(a) Total outstanding dues of micro and small enterprises	138.01	26.56
	(b) Total outstanding dues of creditors other than micro and small enterprises	1,882.16	1,311.53
	Other financial liabilities	14,114.42	22,126.12
	Provisions	546.06	446.83
	Other current liabilities	2,378.35	554.40
	Total current liabilities	28,211.45	28,772.24
	Total equity and liabilities (C+D+E)	53,585.27	46,730.77



Place : Bengaluru
Date : November 09, 2022



for AXISCADES Technologies Limited

Arun Krishnamurthi

Arun Krishnamurthi
CEO & Managing Director

(₹ in lakhs)

Statement of unaudited standalone financial results for the quarter and half year ended September 30, 2022

Particulars	Quarter ended			Half year ended		Year ended
	September 30, 2022 (Unaudited)	June 30, 2022 (Unaudited)	September 30, 2021 (Unaudited)	September 30, 2022 (Unaudited)	September 30, 2021 (Unaudited)	March 31, 2022 (Audited)
I. Income						
(a) Revenue from contracts with customers	6,740.12	6,121.35	4,250.92	12,861.47	7,824.50	18,198.07
(b) Other income	73.56	15.38	49.93	88.94	161.07	204.57
Total Income	6,813.68	6,136.73	4,300.85	12,950.41	7,985.57	18,402.64
II. Expenses						
(a) Employee benefits expense	3,933.45	3,683.53	2,807.29	7,616.98	5,334.32	11,403.96
(b) Finance costs	803.09	131.53	313.52	934.62	611.53	1,171.56
(c) Depreciation and amortisation expense	291.31	236.43	231.21	527.74	457.38	950.96
(d) Other expenses	1,472.55	1,359.85	1,337.22	2,832.40	2,247.18	5,271.18
Total expenses	6,500.40	5,411.34	4,689.24	11,911.74	8,650.41	18,797.66
III. Profit / (Loss) before exceptional items and tax (I-II)	313.28	725.39	(388.39)	1,038.67	(664.84)	(395.02)
IV. Exceptional items, net (refer note 5)	-	(4,444.98)	-	(4,444.98)	-	750.42
V. Profit / (Loss) before tax (III+IV)	313.28	(3,719.59)	(388.39)	(3,406.31)	(664.84)	355.40
VI. Tax expense						
Current tax	17.17	58.46	5.23	75.63	18.92	140.45
Deferred tax charge / (credit)	23.88	146.88	-	170.76	-	(92.93)
VII. Profit / (Loss) for the period / year (V - VI)	272.23	(3,924.93)	(393.62)	(3,652.70)	(683.76)	307.88
VIII. Other comprehensive income, net of tax [(loss) / profit]						
Other comprehensive income not to be reclassified to profit or loss in subsequent periods:						
Remeasurement gain / (losses) in defined benefit plans	(46.83)	8.64	(14.32)	(38.19)	(27.71)	34.54
Income tax effect	13.03	(2.40)	3.60	10.63	6.97	(9.61)
Other comprehensive income to be reclassified to profit or loss in subsequent periods:						
Gain / (losses) on cash flow hedges	(104.84)	(66.88)	24.97	(171.72)	33.87	19.08
Income tax effect	29.15	18.59	(6.28)	47.74	(8.52)	(5.31)
IX. Total comprehensive income / (loss) for the period / year (VII+VIII)	162.74	(3,966.98)	(385.65)	(3,804.24)	(679.15)	346.58
X. Paid-up equity share capital (₹ 5/- each)	1,901.68	1,901.68	1,889.51	1,901.68	1,889.51	1,897.23
XI. Other equity						14,729.98
XII. Earnings / (Loss) per share ("EPS") (of ₹ 5/- Each)*						
Basic EPS (₹)	0.72	(10.34)	(1.04)	(9.62)	(1.81)	0.81
Diluted EPS (₹) (refer note 6)	0.68	(10.34)	(1.04)	(9.62)	(1.81)	0.80

* EPS is not annualised for the quarter and half year ended September 30, 2022, quarter ended June 30, 2022 and quarter and half year ended September 30, 2021

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 half year ended September 30, 2022 of the AXISCADES Technologies Limited (hereinafter referred to as the "Company") has been reviewed by the Audit Committee at their meeting held on November 08, 2022 and approved by the Board of Directors at their meeting held on November 09, 2022. The aforesaid unaudited standalone financial results for the quarter and half year ended September 30, 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: November 09, 2022



for AXISCADES Technologies Limited

Arun Krishnamurthi

Arun Krishnamurthi
CEO & Managing Director

Statement of unaudited standalone financial results for the quarter and half year ended September 30, 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 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 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, so as 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 the phases which have fallen due. Pursuant to further directions contained in the Interim Award, the Company had also 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 during the quarter ended June 30, 2022 and half year ended September 30, 2022 and 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.

5. Exceptional item comprises of the following:

Particulars	Quarter ended		Half year ended		Year ended	
	September 30, 2022	June 30, 2022	September 30, 2021	September 30, 2021	March 31, 2022	
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)	
Interest and additional purchase consideration (refer note 4 above)	-	(4,444.98)	-	(4,444.98)	-	1,535.80
Impairment (reversal) of Investment and Fair value change in contingent purchase consideration payable	-	-	-	-	-	(785.38)
Total, net	-	(4,444.98)	-	(4,444.98)	-	750.42

6. For the purpose of computation of diluted EPS for half year ended September 30, 2022 and September 30, 2021, quarter ended June 30, 2022 and September 30, 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.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.



Place : Bengaluru
Date : November 09, 2022



for AXISCADES Technologies Limited

Arun Krishnamurthi

Arun Krishnamurthi
CEO & Managing Director

AXISCADES Technologies Limited
CIN NO: L72200KA1990PLC084435

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(₹ in lakhs)

Unaudited standalone statement of cash flows for the half year ended the September 30, 2022

	Period ended	
	September 30, 2022 (Unaudited)	September 30, 2021 (Unaudited)
A. Cash flow from operating activities		
Loss before tax	(3,406.31)	(664.84)
Exceptional items, net (refer note: 5)	4,444.98	-
Depreciation and amortization expense	527.74	457.38
Interest income (including fair value change in financial instruments)	(78.06)	(49.29)
Interest expense (including fair value change in financial instruments)	934.62	611.53
Provision no longer required written back	(1.87)	-
Provision for security deposit	-	33.83
Loss on sale of investment in associate	4.95	-
Share based payment expense	311.19	125.02
Gain on sale of property, plant and equipment	(3.45)	-
Gain on lease modification	(4.30)	-
Loss on export incentive receivable	15.17	-
Net unrealised foreign exchange loss	163.39	166.04
Operating profit before working capital changes	2,908.05	679.67
Movements in working capital		
(Increase) in trade receivables	(1,598.61)	(899.40)
(Increase) in other assets including financial assets	(426.65)	(4.82)
Increase in trade payables, other liabilities and financial liabilities	2,942.20	62.07
Increase in provisions	64.46	37.86
Cash generated from/(used in) operating activities	3,889.45	(124.62)
Direct taxes paid, net	(329.01)	(202.88)
Net cash generated from/(used in) operating activities (A)	3,560.44	(327.50)
B. Cash flow from investing activities		
Purchase of property, plant and equipment and intangible assets	(222.50)	(74.22)
Proceeds from sale of property, plant and equipment	6.63	-
Payment of purchase consideration	(13,220.82)	-
Proceeds from sale of investment in associate	222.55	-
Interest received	40.57	26.76
Investments in bank deposits, net	(4,489.04)	(13.01)
Net cash used in investing activities (B)	(17,662.61)	(60.47)
C. Cash flow from financing activities		
Repayment of principal and interest portion of lease liabilities	(387.51)	(360.16)
Proceeds from / (Repayment) of long-term borrowings	10,021.59	(289.17)
Repayment of working capital loans	(296.05)	-
Proceeds from inter company deposits	5,642.00	-
Proceeds from issue of equity shares	46.86	-
Interest paid	(1,223.38)	(188.21)
Net cash generated from/(used in) financing activities (C)	13,803.51	(837.54)
Net decrease in cash and cash equivalents (A+B+C)	(298.66)	(1,225.51)
Effect of exchange rate changes, net	23.52	(22.83)
Cash and cash equivalents at the beginning of the period	642.42	1,615.44
Cash and cash equivalents at the end of the period	367.28	367.10



Place : Bengaluru
Date : November 09, 2022



for AXISCADES Technologies Limited

Arun Krishnamurthi

Arun Krishnamurthi
CEO & Managing Director