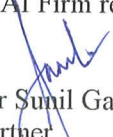


## Limited Review Report

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 September 30, 2018 and year to date from April 01, 2018 to September 30, 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 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 assets of Rs. 28,950 lakhs as at September 30, 2018 and total revenues (including other income) of Rs. 6,676 lakhs and Rs. 10,337 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   
Partner  
Membership No.: 104315

Place: Bengaluru  
Date: November 11, 2018



**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 half year ended 30 September 2018**

Particulars	Quarter ended			Half year ended		Year ended
	September 30, 2018	June 30, 2018	September 30, 2017	September 30, 2018	September 30, 2017	March 31, 2018
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
<b>I. REVENUE</b>						
(a) Revenue from operations	16,243.64	12,148.10	11,625.22	28,391.74	22,647.54	51,915.67
(b) Other operating income (refer note 4)	37.73	114.39	-	152.12	-	-
(c) Other income	109.15	213.66	311.59	322.81	569.82	1,507.02
<b>TOTAL REVENUE</b>	<b>16,390.52</b>	<b>12,476.15</b>	<b>11,936.81</b>	<b>28,866.67</b>	<b>23,217.36</b>	<b>53,422.69</b>
<b>II. EXPENSES</b>						
(a) Cost of materials consumed	2,987.74	1,317.13	223.54	4,304.87	1,077.34	5,488.40
(b) Employee benefits expense	8,815.46	7,946.72	6,677.19	16,762.18	12,962.46	28,366.22
(c) Finance costs	417.19	552.23	156.24	969.42	372.28	1,368.97
(d) Depreciation and amortisation expense	490.60	520.00	448.60	1,010.60	889.01	1,876.32
(e) Project consultancy charges	725.92	673.07	2,006.29	1,398.99	3,151.76	5,455.43
(f) Other expenses (refer note 9)	4,362.17	2,509.81	2,271.21	6,871.98	4,433.32	10,847.08
<b>TOTAL EXPENSES</b>	<b>17,799.08</b>	<b>13,518.96</b>	<b>11,783.07</b>	<b>31,318.04</b>	<b>22,886.17</b>	<b>53,402.42</b>
<b>III. PROFIT/(LOSS) BEFORE EXCEPTIONAL ITEMS AND TAX (I-II)</b>	<b>(1,408.56)</b>	<b>(1,042.81)</b>	<b>153.74</b>	<b>(2,451.37)</b>	<b>331.19</b>	<b>20.27</b>
IV. Exceptional items (refer note 5)	1,450.68	-	(13.86)	1,450.68	(175.12)	(298.69)
<b>V. PROFIT/(LOSS) BEFORE TAX AND NON CONTROLLING INTEREST (III-IV)</b>	<b>42.12</b>	<b>(1,042.81)</b>	<b>139.88</b>	<b>(1,000.69)</b>	<b>156.07</b>	<b>(278.42)</b>
VI. Tax expense:						
- Current tax	270.88	61.33	65.01	332.21	141.74	801.36
- Tax for earlier period / years	-	-	-	-	-	58.79
- Deferred tax charge/(credit)	(237.05)	(310.88)	(17.61)	(547.93)	(82.77)	(357.37)
<b>VII. PROFIT/(LOSS) AFTER TAX</b>	<b>8.29</b>	<b>(793.26)</b>	<b>92.48</b>	<b>(784.97)</b>	<b>97.10</b>	<b>(781.20)</b>
VIII. Other Comprehensive Income, net of tax	(111.50)	(30.76)	103.39	(142.26)	43.39	(103.00)
<b>IX. TOTAL COMPREHENSIVE INCOME FOR THE PERIOD /YEAR</b>	<b>(103.21)</b>	<b>(824.02)</b>	<b>195.87</b>	<b>(927.23)</b>	<b>140.49</b>	<b>(884.20)</b>
Total Comprehensive income attributable to						
Owners of the Company	(114.78)	(835.46)	184.47	(950.24)	118.89	(927.98)
Non controlling interest	11.57	11.44	11.42	23.01	21.60	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. Earnings per share ('EPS') (of ₹ 5 each) (not annualised for the period)</b>						
Basic EPS (in ₹)	(0.01)	(2.13)	0.21	(2.14)	0.20	(2.18)
Diluted EPS (in ₹)	(0.01)	(2.13)	0.21	(2.14)	0.20	(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 half year ended September 30, 2018 of the Company has been reviewed by the Audit Committee and approved by the Board of Directors at its meeting held on November 11, 2018.
- 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 ended and half year ended 30 September 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 ₹ 37.73 lakhs and ₹ 152.12 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			Half year ended		Year ended
	September 30, 2018	June 30, 2018	September 30, 2017	September 30, 2018	September 30, 2017	March 31, 2018
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
Merger expenses	-	-	(13.86)	-	(175.12)	(298.69)
Fair value change in contingent consideration (refer note 8)	1,450.68	-	-	1,450.68	-	-
<b>Total</b>	<b>1,450.68</b>	<b>-</b>	<b>(13.86)</b>	<b>1,450.68</b>	<b>(175.12)</b>	<b>(298.69)</b>

For AXISCADES Engineering Technologies Limited



Director

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

Particulars	Quarter ended			Half year ended		Year ended
	September 30, 2018	June 30, 2018	September 30, 2017	September 30, 2018	September 30, 2017	March 31, 2018
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
Total revenue (including other income)	5,509.61	4,983.95	6,164.49	10,493.56	11,666.63	23,951.76
Profit/(Loss) before tax	854.75	(1,063.20)	(32.21)	(208.45)	(222.71)	(1,084.15)
Profit/(Loss) after tax	1,084.69	(930.76)	(13.11)	153.93	(148.67)	(941.81)
Total Comprehensive Income for the period /year	1,011.95	(990.71)	(106.91)	21.24	(295.58)	(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			Half year ended		Year ended
	September 30, 2018	June 30, 2018	September 30, 2017	September 30, 2018	September 30, 2017	March 31, 2018
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
<b>1. Segment revenue</b>						
(a) Engineering design services	11,921.88	10,536.34	10,701.13	22,458.22	19,847.46	41,209.40
(b) Strategic technology solutions	4,359.49	1,726.15	924.09	6,085.64	2,800.08	10,706.27
<b>Total</b>	<b>16,281.37</b>	<b>12,262.49</b>	<b>11,625.22</b>	<b>28,543.86</b>	<b>22,647.54</b>	<b>51,915.67</b>
Less: inter segment revenue	-	-	-	-	-	-
<b>Net sales/income from operations</b>	<b>16,281.37</b>	<b>12,262.49</b>	<b>11,625.22</b>	<b>28,543.86</b>	<b>22,647.54</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	(783.80)	374.75	(59.03)	(409.05)	(135.70)	(875.26)
(b) Strategic technology solutions	(154.03)	(905.52)	57.42	(1,059.55)	269.35	915.06
<b>Total</b>	<b>(937.83)</b>	<b>(530.77)</b>	<b>(1.61)</b>	<b>(1,468.60)</b>	<b>133.65</b>	<b>39.80</b>
Less: i) Interest expenses	(417.19)	(552.23)	(156.24)	(969.42)	(372.28)	(1,368.97)
ii) Exceptional items (refer note 5 and 8)	1,450.68	-	(13.86)	1,450.68	(175.12)	(298.69)
iii) Other Unallocable expenditure	(156.25)	(153.68)	-	(309.93)	-	(157.58)
Add: i) Other income	102.71	193.87	311.59	296.58	569.82	1,507.02
<b>Total profit/(loss) before tax</b>	<b>42.12</b>	<b>(1,042.81)</b>	<b>139.88</b>	<b>(1,000.69)</b>	<b>156.07</b>	<b>(278.42)</b>

Particulars	Quarter ended			Half year ended		Year ended
	September 30, 2018	June 30, 2018	September 30, 2017	September 30, 2018	September 30, 2017	March 31, 2018
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
<b>3. Segment assets</b>						
(a) Engineering design services	44,873.03	43,477.50	29,004.64	44,873.03	29,004.64	42,652.70
(b) Strategic technology solutions	28,836.08	28,353.87	26,611.00	28,836.08	26,611.00	28,960.55
(c) Unallocable assets	3,973.23	4,486.55	-	3,973.23	-	4,142.66
<b>Total</b>	<b>77,682.34</b>	<b>76,317.92</b>	<b>55,615.64</b>	<b>77,682.34</b>	<b>55,615.64</b>	<b>75,755.91</b>
<b>4. Segment liabilities</b>						
(a) Engineering design services	36,205.06	34,844.52	12,123.15	36,205.06	12,123.15	33,610.34
(b) Strategic technology solutions	11,285.99	11,896.94	13,210.67	11,285.99	13,210.67	11,605.09
(c) Unallocable liabilities	1,155.81	811.50	-	1,155.81	-	1,023.84
<b>Total</b>	<b>48,646.86</b>	<b>47,552.96</b>	<b>25,333.82</b>	<b>48,646.86</b>	<b>25,333.82</b>	<b>46,239.27</b>

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 previous quarter, 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 ₹ 5,294.70 lakhs and ₹ 7,517.13 lakhs and net profit/(loss) of ₹ 881.09 lakhs and ₹ 874.88 lakhs attributable to the operations of MSPL for the quarter ended and half year September 30, 2018 respectively.

During the current 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			Half year ended		Year ended
	September 30, 2018	June 30, 2018	September 30, 2017	September 30, 2018	September 30, 2017	March 31, 2018
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
Provision for bad and doubtful debts	1,307.75	-	-	1,307.75	-	878.41
<b>Total</b>	<b>1,307.75</b>	<b>-</b>	<b>-</b>	<b>1,307.75</b>	<b>-</b>	<b>878.41</b>

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

10. The above unaudited consolidated 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 Engineering Technologies Limited

Director

**AXISCADES Engineering Technologies Limited**

CIN NO: L72200KA1990PLC084435

Regd. Office: Block C, Second Floor, Kirloskar Business Park, Bengaluru - 560024, Karnataka, India

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(₹ in lakhs)

**Unaudited Consolidated Statement of Assets and Liabilities**

SI No	Particulars	As at	
		30 September 2018	31 March 2018
		(Unaudited)	(Audited)
	<b>ASSETS</b>		
<b>A</b>	<b>Non-current assets</b>		
	Property, plant and equipment	12,993.31	12,399.36
	Capital work-in-progress	54.73	50.48
	Goodwill on consolidation	16,697.54	16,474.25
	Other intangible assets	5,000.57	5,501.28
	<b>Financial assets</b>		
	Investments	0.09	0.09
	Trade receivables	12.13	11.14
	Loans	1,159.67	1,161.98
	Other financial assets	888.60	196.69
	Deferred tax assets	2,233.23	1,615.33
	Non-current tax asset, net	1,879.22	1,694.22
	Other non-current assets	2,094.32	2,075.54
	<b>Total Non-current assets</b>	<b>43,013.41</b>	<b>41,180.36</b>
<b>B</b>	<b>Current assets</b>		
	Inventories	2,650.84	3,013.49
	Investments	245.55	625.14
	<b>Financial assets</b>		
	Trade receivables	18,097.97	16,588.90
	Cash and cash equivalents	2,027.05	1,377.32
	Bank balances other than cash and cash equivalents	2,274.33	4,816.00
	Loans	277.95	279.99
	Other financial assets	4,885.35	4,674.94
	Other current assets	4,209.89	3,199.77
	<b>Total Current assets</b>	<b>34,668.93</b>	<b>34,575.55</b>
	<b>Total assets (A+B)</b>	<b>77,682.34</b>	<b>75,755.91</b>
	<b>EQUITY AND LIABILITIES</b>		
<b>C</b>	<b>Equity</b>		
	Equity share capital	1,889.51	1,889.51
	Other equity	26,778.55	27,282.72
	Non controlling interest	367.42	344.41
	<b>Total Equity</b>	<b>29,035.48</b>	<b>29,516.64</b>
<b>D</b>	<b>Non-current liabilities</b>		
	<b>Financial liabilities</b>		
	Borrowings	6,177.21	7,263.63
	Other financial liabilities	9,269.61	10,325.24
	Provisions	1,102.58	1,057.88
	Deferred tax liabilities	1.45	1.10
	Other non-current liabilities	27.82	27.82
	<b>Non-current liabilities</b>	<b>16,578.67</b>	<b>18,675.67</b>
<b>E</b>	<b>Current liabilities</b>		
	<b>Financial liabilities</b>		
	Borrowings	8,856.64	6,515.21
	Trade payables	3,983.55	5,003.93
	Other financial liabilities	15,245.09	12,647.40
	Provisions	873.97	822.97
	Current tax liability, net	133.45	86.51
	Other current liabilities	2,975.49	2,487.58
	<b>Total Current liabilities</b>	<b>32,068.19</b>	<b>27,563.60</b>
	<b>Total equity and liabilities (C+D+E)</b>	<b>77,682.34</b>	<b>75,755.91</b>



For AXISCADES Engineering Technologies Limited

Director