

Limited Review Report**The Board of Directors
AXISCADES Engineering Technologies Limited**

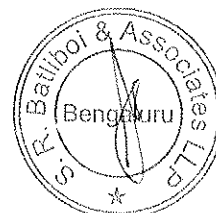
We have reviewed the accompanying statement of unaudited consolidated financial results of AXISCADES Engineering Technologies Limited (the 'Company'), and its subsidiaries (together referred to as 'the Group'), for the quarter ended June 30, 2017 (the "Statement") attached herewith, being submitted by the Company pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, read with SEBI Circular No. CIR/CFD/FAC/62/2016 dated July 5, 2016.

The preparation of the Statement in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34, Interim Financial Reporting (Ind AS 34) prescribed under Section 133 of the Companies Act, 2013 read with Rule 3 of Companies (Indian Accounting Standards) Rules, 2015 read with SEBI Circular No. CIR/CFD/FAC/62/2016 dated July 5, 2016 is the responsibility of the Company's Management and has been approved by the Board of Directors of the Company. Our responsibility is to issue express a conclusion on the Statement based on our review.

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.

We did not review the financial results and other financial information, in respect of six subsidiaries, whose Ind AS financial statements include total revenues of Rs. 1,043.80 lakhs and total profit after tax of Rs. 16.36 lakhs for the quarter ended June 30, 2017. 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 opinion, in so far as it relates to the affairs of such subsidiaries is based solely on the report of other auditors. Our opinion is not qualified in respect of this matter.

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 recognition and measurement principles laid down in the applicable Ind AS 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 Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, read with SEBI Circular No. CIR/CFD/FAC/62/2016 dated July 5, 2016, including the manner in which it is to be disclosed, or that it contains any material misstatement.



S.R. BATLIBOI & ASSOCIATES LLP

Chartered Accountants

We have not reviewed the accompanying unaudited consolidated financial results and other financial information of the Group as of and for the quarter ended June 30, 2016, which has been presented solely based on the information compiled by the Company's Management and has been approved by the Board of Directors.

For S.R. BATLIBOI & ASSOCIATES LLP

Chartered Accountants

ICAI Firm registration number: 101049W/E300004


per **Sunil Gaggar**

Partner

Membership No.: 104315



Place: Bengaluru

Date: September 13, 2017

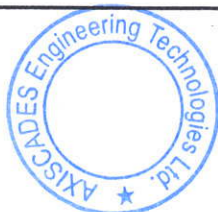
AXISCADES Engineering Technologies Limited

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

Statement of unaudited consolidated financial results for the quarter ended 30 June 2017

Particulars	Quarter ended	
	30 June 2017	30 June 2016
	(Unaudited)	(Unaudited)
		(Refer note 2,3&4)
I. REVENUE		
(a) Revenue from operations	11,022.32	15,007.03
(b) Other income	258.24	316.77
TOTAL REVENUE	11,280.56	15,323.80
II. EXPENSES		
(a) Cost of materials consumed	853.81	3,896.47
(b) Employee benefits expense	6,285.28	6,269.07
(c) Finance costs	216.04	334.68
(d) Depreciation and amortisation expense	440.41	333.85
(e) Project consultancy charges	1,145.47	1,141.75
(f) Other expenses	2,162.10	2,336.90
TOTAL EXPENSES	11,103.11	14,312.72
III. PROFIT BEFORE EXCEPTIONAL ITEMS AND TAX (I-II)	177.45	1,011.08
IV. Exceptional items (refer note 5)	161.26	4.50
V. PROFIT BEFORE TAX AND NON CONTROLLING INTEREST (III-IV)	16.19	1,006.58
VI. Tax expense:		
- Current tax	76.73	397.12
- Deferred tax charge/(credit)	(65.16)	(0.91)
VII. PROFIT AFTER TAX	4.62	610.37
VIII. Other Comprehensive Income, net of tax	(59.99)	81.74
IX. TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	(55.37)	692.11
Total Comprehensive income attributable to		
Owners of the Company	(65.56)	681.58
Non controlling interest	10.19	10.53
X. Paid up equity share capital (₹ 5/- each)	1,889.51	1,889.51
XI. Earnings per share ('EPS') (of ₹ 5 each) (not annualised) (Refer note 8)		
Basic and Diluted EPS	(0.01)	1.59



For AXISCADES Engineering Technologies Limited

[Signature]
Director

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Notes

1. In terms of Regulation 33 of the SEBI Regulations 2015, the aforesaid statement of unaudited consolidated financial results ("financial results") of the Company has been reviewed by the Audit Committee and approved by the Board of Directors at their meeting held on September 13, 2017. The aforesaid results for the quarter ended June 30, 2017 have been subjected to a limited review by the statutory auditors of the Company.

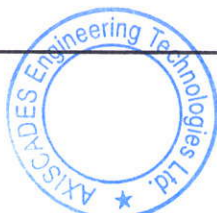
2. The Company has adopted Indian Accounting Standards ("Ind AS") from April 1, 2017 (transition date April 1, 2016) and accordingly, the above financial results for the quarter ended June 30, 2017 have been prepared in accordance with the recognition and measurement principles laid down in Ind AS 34 "Interim Financial Reporting" prescribed under section 133 of the Companies Act, 2013 read with the relevant rules issued thereunder and the other accounting principles generally accepted in India and in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and SEBI Circular CIR/CFD/FAC/62/2016 dated July 05, 2016. The Company has opted to avail the relaxation provided by SEBI in respect of disclosure requirements for figures of earlier periods. Accordingly, the financial results for the quarter and year ended March 31, 2017 have not been presented.

The Ind AS financial results and financial information for the quarter ended June 30, 2016 has been presented after incorporating the applicable Ind AS adjustments. This information has not been subject to any limited review or audit. However, the Management has exercised necessary due diligence to ensure that the financial results provide a true and fair view of its affairs.

3. Reconciliation of Net Profit after tax under the previously applicable Generally Accepted Accounting Principles in India (referred to as "Previous GAAP") and total comprehensive income as reported in these financial results under Ind AS for the quarter ended June 30, 2016 is as below.

Particulars	(₹ In Lakhs)
	For the quarter ended 30 June 2016 (Unaudited)
	(Refer Note 2)
Profit after tax as reported under previous GAAP	470.73
Adjustments on account of:	
(i) Reversal of rent recorded on account of straight lining	(8.63)
(ii) Expected credit loss assessment for trade receivables	13.89
(iii) Fair valuation of long-term trade receivables	0.30
(iv) Fair valuation of borrowings from related parties	(16.31)
(v) Impact of merger (common control transactions)	146.20
(vi) Fair valuation of inter-corporate deposit to related party	0.92
(vii) Deferred tax impact on above Ind AS adjustments	3.27
Profit after tax as reported under Ind AS	610.37
Other comprehensive income (net of tax)	81.74
Total comprehensive income as reported under Ind AS	692.11

4. The Board of Directors of AXISCADES Engineering Technologies Limited ("ACETL") at its meeting held on 14 August 2015, had approved the acquisition of AXISCADES Aerospace & Technologies Private Limited ("ACAT"), an aerospace, defence and homeland security technologies company by way of a Scheme of Amalgamation of India Aviation Training Institute Private Limited ("IAT") (Holding Company of ACAT) with ACETL (the scheme). ACAT was a 100% subsidiary of IAT. Consequent to the approval of the Scheme of Amalgamation u/s 391 to 394 of the Companies Act, 1956 for the amalgamation of IAT with the Company by the Hon'ble High Court of Karnataka on 4 November 2016, and effected on 5 December 2016 (effective date), being the date of filing with the Registrar of Companies, all the assets, liabilities and reserves of IAT were transferred to and vested in the Company with effect from 1 April 2016, the appointed date. These financial results accordingly have been given effect of the Scheme. On 30 December 2016, pursuant to the Scheme, the shareholders of IAT have been allotted 10 (ten) equity shares of par value of Rs 5 fully paid up in ACETL for every 45 (forty five) equity shares held in IAT of par value of Rs.10 each fully paid up.



For AXISCADES Engineering Technologies Limited

Director

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For the purpose of these results, the figures for the quarter ended June 30, 2016 have been arrived on the basis of a consolidation of the separate results of the Company and erstwhile IAT and its subsidiaries from the appointed date i.e. 1 April 2016. Accordingly the results for quarter ended 30 June 2016 include the results of the operations of erstwhile IAT and its subsidiaries. Consequent to the above, results of operations of the Company include total revenue ₹ 5,149.26 lakhs and net profit after tax of ₹ 146.20 lakhs attributable to the operations of erstwhile IAT and its subsidiaries for the quarter ended June 30, 2016.

5. Exceptional items comprise the following:

(₹ In Lakhs)

Particulars	Quarter ended	
	30 June 2017	30 June 2016
	(Unaudited)	(Unaudited)
Merger expenses	161.26	4.50
Total	161.26	4.50

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

(₹ In Lakhs)

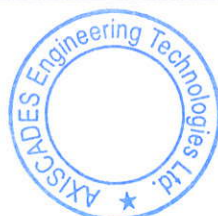
Particulars	Quarter ended	
	30 June 2017	30 June 2016
	(Unaudited)	(Unaudited)
Total revenue (including other income)	5,502.14	6,494.62
Profit/(Loss) before tax	(190.50)	804.60
Profit/(Loss) after tax	(135.56)	524.58
Total Comprehensive Income for the period	(188.67)	518.16

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

(₹ In Lakhs)

Particulars	Quarter ended	
	30 June 2017	30 June 2016
	(Unaudited)	(Unaudited)
1. Segment revenue		
(a) Engineering design services	9,146.33	9,857.77
(b) Strategic technology solutions	1,875.99	5,149.26
Total	11,022.32	15,007.03
Less: inter segment revenue	-	-
Net sales/income from operations	11,022.32	15,007.03
2. Segment results (Profit/(Loss) before tax and interest from each segment)		
(a) Engineering design services	(76.68)	678.07
(b) Strategic technology solutions	211.93	350.92
Total	135.25	1,028.99
Less: i) Interest expenses	216.04	334.68
ii) Exceptional items (Refer note 5)	161.26	4.50
Add: i) Other income	258.24	316.77
Total profit before tax	16.19	1,006.58



For AXISCADES Engineering Technologies Limited

[Signature]
Director

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	30 June 2017	(₹ In Lakhs) 30 June 2016
	(Unaudited)	(Unaudited)
3. Segment assets		
(a) Engineering design services	19,035.77	19,663.56
(b) Strategic technology solutions	20,652.12	19,416.30
(c) Unallocable assets	6,150.62	6,054.47
Total	45,838.51	45,134.33
4. Segment liabilities		
(a) Engineering design services	4,341.00	4,027.56
(b) Strategic technology solutions	3,623.01	9,571.53
(c) Unallocable liabilities	9,302.51	8,674.16
Total	17,266.52	22,273.25

8. Earnings per share ('EPS') has been computed in accordance with Ind AS 33 'Earnings Per Share', where equity shares issued towards the consideration for the scheme of amalgamation (refer note 4) is included in the computation of weighted average number of shares from the beginning of the reporting period i.e. April 1, 2016 which is also the appointed date. EPS for the quarter ended June 30, 2016 has been restated taking into effect the additional number of shares issued in the financial year 2016-17 pursuant to the scheme of amalgamation.

9. The previous period figures have been regrouped and / or reclassified wherever necessary to conform with the current period presentation.

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